



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY PACRA

QUARTERLY REPORT

MARCH
2019
(UNAUDITED)

Half Year Report for Funds Under Management of
MCB-Arif Habib Savings and Investments Limited

ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Risk Management Committee	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Company Secretary	Mr. Muhammad Asif Mehdi Rizvi	
Chief Financial Officer	Mr. Abdul Basit	
Trustee	MCB Financial Services Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.mcbfsl.com.pk	
Bankers	MCB Bank Limited Dubai Islamic Bank Pakistan Limited Bank Islami Pakistan Limited	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.. Box 15541 Karachi, Sindh-75530, Pakistan	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Rating	AM2++Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Active Allocation Plan -I and Plan II** Nine Months Report for the period ended March 31, 2019.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

At the onset of the fiscal year, the economy inherited deep challenges in the form of external crisis as it was facing a huge current account deficit along with depleting foreign reserves. To cope with the underlying challenges, the central bank took major policy actions (currency depreciation of 16% along with interest rate hike of 425 bps in the current fiscal year). Stabilization efforts finally paid off as indicated by a declining current account deficit, which shrank by 22% during the first 8 months of FY19. Moreover, the recent trend is even more promising as current account deficit for Feb'19 was recorded below USD 400 million, a 3 year low.

While the government remained tentative about IMF program signup, it was able to secure funding from friendly allies which has bridged the gap in external account balance for short term. Saudi Arabia, UAE & China provided balance of payment support to the tune of USD 8 billion. Meanwhile Saudi Arabia announced USD 20 billion of investments for Pakistan, along with providing a USD 3 billion deferred credit facility for oil.

GDP growth is expected to set in a range of 2.5-3.0% as last year's record twin deficits restrict the ability of the government to carry on expansionary fiscal policies. Large scale manufacturing (LSM) is already down by 1.5% during the 7MFY19, while weak agricultural growth (cotton and wheat are expected to miss the targets) along with a considerable decline in Retail and Wholesale trade (Import Compression) will slowdown the overall aggregate demand during the current year.

Amid currency depreciation and utility prices adjustment, CPI has also indicating higher inflationary pressures and the inflation which on average has yet remained below 7% for the year but now looking to remain near 9% in coming months which is also likely to continue to remain in the next fiscal year due to utility tariff adjustments along with the lagged impact of currency depreciation. Central bank raised the interest rates by 500 bps during the current year owing to anticipated higher inflation and a weak balance of payment profile.

The government has indicated that it is close to sign the IMF program. Alongside, the government will have to address the key structural issues to tread on the path of long term sustainable economic growth.

The yield curve showed an upward trajectory during the fiscal year due to continued expectations of monetary tightening by the market participants. During the first 9 months, State Bank of Pakistan increased the policy rate by 425 bps in line with the expectations of most of the market. Several PIB auctions during the period under review had to be rejected by State Bank of Pakistan due to thin volume and participation at higher levels. Concerns over external front kept market participants at bay from longer tenor Treasury instruments similarly participation in Pakistan Investment Bonds also price in healthy liquidity premium. During the period under review, 314.38 billion worth of GOP Ijara Sukuk matured against which no fresh GOP Ijara Sukuk were issued by SBP.

Equity Market Review

The benchmark Index KSE100 recouped some of its losses to post a gain of 4.3% during the third quarter of FY19, limiting the 9MFY19 loss to 7.8%. Balance of Payment Support by friendly allies along with investment commitment by Saudi Arabia provided a breather to the market. Foreigners also turned back to the market after a long haul as currency approached its real value. Foreign participants bought USD 31 million of equities during the quarter, reducing the total selling to USD 373 million for 9MFY19. Volumes and values averaged around 162 mn shares/ PKR 7.1 bn respectively.

During the nine months, Exploration & Petroleum Companies (E&P's) and Fertilizers outperformed the market generating positive returns of ~15% and 6% respectively. On the other hand, Refinery, Chemicals, Power and OMCs underperformed the market generating negative returns of ~19.4%, 10%, 8.5%, 7.2% respectively.

E&Ps rallied after offshore drilling started in one of the highly potential zone of Indus basin. Alongside, PKR depreciation garnered a lot of interest in the sector owing to USD denominated revenues. Fertilizers also outperformed as supply glut ended which resulted in enhanced pricing power of the manufacturers. On the flip side; Refineries suffered due to lower throughput and closure of plants amid limited offtake of Furnace Oil. Also, weak international petroleum products' margins dragged the returns. OMCs followed the thematic decline due to economic slowdown which was reflected in lower sales volumes (Total petroleum products' sales declining by ~23% and FO sales coming down by ~55%).

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

FUND PERFORMANCE

Alhamra Islamic Active Allocation Plan -I

During the period, the fund posted a return of 0.93% against negative return of 10.93% for the benchmark.

The fund was 48.1% invested in Alhamra Islamic Stock Fund and 51.4% invested in Alhamra Islamic Income Fund at the period end.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 827 million. The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 94.0379.

Alhamra Islamic Active Allocation Plan -II

During the period, the fund posted a negative return of 1.12% against negative return of 10.64% for the benchmark.

The fund was 48.6% invested in Alhamra Islamic Stock Fund and 49.6% invested in Alhamra Islamic Income Fund as at March 31, 2019.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 757 million. The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 98.2599.

MARKET & ECONOMY - FUTURE OUTLOOK

The tough measures taken by the incumbent government in the form of currency adjustments and monetary tightening for the purpose of reducing aggregate demand to control external imbalances is bearing fruit. The current account balance has begun to reflect the policy adjustments with the beginning 2 months of the current calendar registering decline of more than 50% in current account balance. The external account is expected to remain at sustainable levels with the impetus expected to come from lagged increase in exports. The balance of payments support availed from friendly nations would be adequate to support financing of the remaining year. Subsequently, we expect normalized PKR/USD adjustment given the Real Effective Exchange Rate is close to its fundamental value.

However, the entrance into IMF program is likely to provide the much needed financial stability relative to external inflows through multilateral agencies along with better policy management related to dealing with structural issues in the economy.

In IMF program, focus is expected to shift towards fiscal side. The substantial curtailment of development budget has failed to curtail the fiscal deficit given the higher cost of borrowing for the government and sluggish performance in revenue collection due to relief in income tax, curtailment of telecom duties and import slowdown. The impact of monetary tightening is expected to be more visible in this half towards expenditures side. The revenue shortfall is expected to lead towards a fiscal deficit of more than 6% for this year. The focus of next budget is expected to be towards revenue generation measures particularly, higher taxation, duties, etc.

Inflationary pressures are expected to become more visible as reflected in the recent reading of 9.4% as lagged impacts of currency depreciation, gas price increase and electricity price adjustments are incorporated. However, most of the monetary tightening has been done to reflect the upcoming inflationary pressures and room for further tightening would remain in the range of 50 bps.

For the remaining year, the economic growth is expected to remain on a slower trajectory as currency adjustments and tighter monetary policy will rein on the consumption patterns. However, increased power supply along with the documentation of economy may provide a respite to the economic managers during this critical juncture. We share the optimism on better governance & long term prospects for economic revival amid more focused and sincere efforts to address chronic issues on economic front by the new government; however, the path is likely to be tough and with a number of potentially unpopular policy steps.

We believe equity markets preempted the economic conditions and as such it is important to consider whether all the economic developments are priced in or not. Therefore, overall valuations and fundamentals of universe companies do play an important role. The overall strategy should tilt towards defensive sectors (E&Ps, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) should be overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclical sectors, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
April 19, 2019



Nasim Beg
Vice Chairman / Director

قریب ہے جس کے باعث پاکستانی روپے اور امریکی ڈالر میں عمومی باہمی کمی بیشی متوقع ہے۔

آئی ایم ایف پروگرام میں توجہ کا رخ مالیاتی جانب منتقل ہونے کا امکان ہے۔ ترقیاتی بجٹ میں قابل ذکر کمی کے نتیجے میں مالیاتی خسارے میں کمی نہیں ہو سکی جس کی وجہ حکومت کے لیے حصول قرض کی بلند قیمت، اور آمدنی ٹیکس میں چھوٹ، ٹیلی کام محصولات میں کمی اور درآمدات میں سست روی کے باعث آمدنی جمع کرنے کی سست رفتار کا کردار ہے۔ مالیاتی تنگی کے اثرات رواں ششماہی میں اخراجات کی جہت میں مزید ظاہر ہونے کی توقع ہے۔ کم آمدنی کے نتیجے میں رواں سال 6% سے زیادہ مالیاتی خسارہ ہونے کا امکان ہے۔ اگلے بجٹ کی زیادہ توجہ متوقع طور پر آمدنی پیدا کرنے کے اقدامات، بلند تر ٹیکس اور محصولات وغیرہ کی طرف ہوگی۔

افراط زر کے دباؤ متوقع طور پر مزید ظاہر ہوں گے جیسا کہ روپے کی قدر میں کمی کے سست رفتار اثرات، گیس کی قیمت میں اضافہ اور بجلی کی قیمت میں کمی بیشی کو شامل کرنے پر 9.4% کی حالیہ سطح سے عکاسی ہوتی ہے۔ تاہم زیادہ تر مالیاتی تنگی آئندہ افراط زر کے دباؤ کی عکاسی کے لیے کی گئی ہے، اور مزید تنگی کی وسعت 50 bps کی حد میں رہے گی۔

سال کے باقی حصے میں معاشی ترقی متوقع طور پر نسبتاً سست روی کا شکار رہے گی کیونکہ کرنسی میں کمی بیشی اور مالیاتی پالیسی میں مزید تنگی کھپت کے رجحان پر حاوی رہے گی۔ تاہم بجلی کی پہلے سے زیادہ فراہمی کے ساتھ ساتھ معیشت کی دستاویزی کی بدولت اس مشکل موڑ پر معاشی منتظمین کو سہولت فراہم ہوگی۔ نئی حکومت معاشی میدان کے دیرینہ مسائل کے حل پر توجہ دینے کی زیادہ مرکوز اور مخلص کاوشیں کر رہی ہے، چنانچہ ہم بہتر حکومت داری اور معاشی بحالی کے طویل المیعاد امکانات کے حوالے سے پُر امید ہیں؛ تاہم راستہ متوقع طور پر دشوار اور ممکنہ ناپسندیدہ پالیسی اقدامات سے پُر ہوگا۔

ہم سمجھتے ہیں کہ ایکویٹی مارکیٹس نے معاشی حالات کی قبل از وقت حفاظت کی؛ چنانچہ یہ دیکھنا ضروری ہے کہ تمام معاشی ترقیات کی قیمت کا تعین کر دیا گیا ہے یا نہیں۔ لہذا مجموعی تخمینہ جات اور عالمگیر کمپنیوں کی بنیاديات اہم کردار ادا کرتی ہیں۔ مجموعی لائحہ عمل کا جھکاؤ دفاعی شعبوں کی طرف ہونا چاہیے (E&Ps، بجلی، کھاد)، جبکہ وہ شعبے جو کلاں معاشیات کے میدان میں تبدیل ہوتے ہوئے محرکات مثلاً انٹریسٹ کی شرحوں میں اضافے سے مستفید ہوں گے (کمرشل بینک) اُن کا وزن زیادہ ہونا چاہیے۔ علاوہ ازیں، برآمدات کی بحالی پر حکومت کی بھرپور توجہ کی بدولت برآمداتی شعبوں مثلاً ٹیکسٹائل اور IT کے لیے مستقبل کے امکانات روشن ہوں گے۔ گردش شعبوں کے حوالے سے منفی سوچ کے باوجود ہم سمجھتے ہیں کہ کچھ اثاثہ جاتی اور quality کمپنیاں مشکلات سے دوچار ہوں گی جن پر توجہ دی جانی چاہیے کیونکہ یہ غیر معمولی منافع کی صلاحیت رکھتی ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کی مسلسل پشت پناہی اور تعاون کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹر مینجمنٹ ٹیم کی کاوشوں کو بھی سراہتے ہیں۔

من جانب ڈائریکٹر،



نسیم بیگ
وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر

19 اپریل، 2019ء

7.8% تک محدود کر دیا۔ دوستانہ اتحادیوں کی طرف سے ادائیگیوں کے توازن میں معاونت کے ساتھ ساتھ سعودی عرب کی طرف سے سرمایہ کاری کے وعدے نے مارکیٹ کو اطمینان کا سانس فراہم کیا۔ روپے کے اپنی اصل قدر کے قریب پہنچنے پر غیر ملکی بھی طویل عرصے بعد مارکیٹ لوٹے۔ دوران سہ ماہی غیر ملکی شرکاء نے 31 ملین ڈالر مالیت کی ایکویٹیز خریدیں اور یوں مالی سال 2019ء کے نو ماہ کے لیے کل فروخت کم ہو کر 373 ملین ڈالر رہ گئیں۔ حجم اور قدر کا اوسط بالترتیب تقریباً 162 ملین حصص / 7.1 بلین روپے تھا۔

نو ماہ کے دوران ایکسپلوریشن اور پٹرولیم (E&Ps) اور فریٹلائزرز نے بالترتیب 15% اور 6% مثبت منافع حاصل کر کے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب ریٹائمری، کیمیکل، پاور اور OMCs نے بالترتیب 19.4%، 10%، 8.5% اور 7.2% منفی منافع حاصل کر کے مارکیٹ سے کم تر کارکردگی کا مظاہرہ کیا۔

انڈس بیسن کے سب سے زیادہ استعداد کے حامل علاقوں میں سے ایک میں ڈرلنگ کے آغاز کے بعد E&Ps بھرپور انداز میں آگے بڑھے۔ ساتھ ساتھ امریکی ڈالر میں آمدنی کے باعث پاکستانی روپے کی قدر میں کمی سے شعبے کی طرف بہت دلچسپی مائل ہوئی۔ فریٹلائزرز نے بھی عمدہ کارکردگی کا مظاہرہ کیا کیونکہ رسد کی بھرمار ختم ہوئی جس کے نتیجے میں مینوفیکچررز کی قیمتوں کے تعین کی قوت میں اضافہ ہوا۔ دوسری جانب فرنیس آئل کے محدود اخراج کے ساتھ ساتھ مال کی پست سطح اور پلانٹس کے بند ہونے کے باعث ریٹائمرز متاثر ہوئیں۔ علاوہ ازیں، پٹرولیم مصنوعات کی کمزور بین الاقوامی margins نے منافع میں سُست رفتاری پیدا کر دی۔ معاشی سُست روی کے باعث OMCs بھی متاثر ہوئیں جس کی عکاسی فروخت کے حجم میں کمی سے ہوتی ہے (پٹرولیم مصنوعات کی مجموعی فروخت میں 23% کمی ہوئی اور FO فروخت میں 55% کمی ہوئی)۔

فنڈ کی کارکردگی

الحمرء اسلامک ایکٹو ایلو کیشن پلان - I

دوران مدت فنڈ نے 0.93% منفی منافع پوسٹ کیا جبکہ بیج مارک منفی منافع 10.93% تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری 48.1% الحمرء اسلامک اسٹاک فنڈ میں اور 51.4% الحمرء اسلامک انکم فنڈ میں تھی۔

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 827 ملین روپے تھے جبکہ net اثاثہ جاتی قدر (NAV) فی یونٹ 94.0379 روپے تھی۔

الحمرء اسلامک ایکٹو ایلو کیشن پلان - II

دوران مدت فنڈ نے 1.12% منفی منافع پوسٹ کیا جبکہ بیج مارک منفی منافع 10.64% تھا۔ 31 مارچ 2019ء کو فنڈ کی سرمایہ کاری 48.6% الحمرء اسلامک اسٹاک فنڈ میں اور 49.6% الحمرء اسلامک انکم فنڈ میں تھی۔

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 757 ملین روپے تھے جبکہ net اثاثہ جاتی قدر (NAV) فی یونٹ 98.2599 روپے تھی۔

مستقبل کا منظر

موجودہ حکومت نے خارجی عدم توازن پر قابو پانے کے لیے مجموعی طلب میں کمی کرنے کے مقصد سے روپے کی قدر میں کمی پیشی اور مالیاتی تنگی کی صورت میں جو سخت اقدامات کیے تھے ان کے ثمرات حاصل ہو رہے ہیں۔ موجودہ کیلنڈر کے ابتدائی دو ماہ کے ساتھ ہی کرنٹ اکاؤنٹ میں پالیسی کی تبدیلیوں کی عکاسی ہونے لگی ہے اور 50% سے زائد کمی ہوئی۔ برآمدات میں سُست رفتار اضافے سے ملنے والی متوقع قوت سے خارجی اکاؤنٹ کے پائیدار سطحوں پر برقرار رہنے کی توقع ہے۔ ادائیگیوں کے توازن کے ضمن میں دوستانہ ممالک سے حاصل ہونے والا تعاون سال کے بقیہ حصے کے دوران رقم کی فراہمی کے لیے کافی ہوگا۔ بعد ازاں، Real Effective شرح مبادلہ اپنی بنیادی قدر کے

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے الحراء اسلامک ایکٹو ایلوکیشن پلان - I اور پلان - II کی 31 مارچ 2019ء کو ختم ہونے والے نو ماہ کی رپورٹ پیش خدمت ہے۔

مارکیٹ اور معیشت کا جائزہ

معیشت اور بازار زر کا جائزہ

مالی سال کے آغاز ہی سے معیشت کو کرنٹ اکاؤنٹ کے خطرہ خسارے اور غیر ملکی ذخائر میں کمی کے باعث خارجی بحران کی شکل میں سنگین چیلنجز وراثت میں ملے۔ ان مسائل سے نمٹنے کے لیے مرکزی بینک نے اہم پالیسی اقدامات اٹھائے (موجودہ مالی سال میں روپے کی قدر میں 16% کمی اور انٹریسٹ کی شرح میں 425 bps اضافہ)۔ بالآخر استحکام کی کوششوں کے ثمرات حاصل ہوئے اور مالی سال 2019ء کے پہلے آٹھ ماہ کے دوران کرنٹ اکاؤنٹ کے خسارے میں 22% کمی ہوئی۔ مزید براں، حالیہ رجحان زیادہ اُمید افزا ہے کیونکہ فروری 2019ء کا کرنٹ اکاؤنٹ کا خسارہ 400 ملین ڈالر سے کم تھا جو گزشتہ 3 برسوں کی پست ترین سطح ہے۔

اگرچہ حکومت آئی ایم ایف پروگرام کے حوالے سے غیر یقینی صورتحال سے دوچار رہی لیکن دوستانہ اتحادیوں سے رقم حاصل کرنے میں کامیاب ہوئی جس کی بدولت مختصر میعاد کے لیے خارجی اکاؤنٹ میں موجود خلا پُر ہوگئی۔ سعودی عرب، متحدہ عرب امارات اور چین نے ادائیگیوں کے توازن میں 8 ملین ڈالر تک کی معاونت فراہم کی، جبکہ سعودی عرب نے پاکستان کے لیے 20 بلین ڈالر کی سرمایہ کاریوں کے اعلان کے ساتھ ساتھ تیل کے شعبے میں 3 بلین ڈالر کی پیشگی ادائیگی کی سہولت فراہم کی۔

مجموعی ملکی پیداوار (GDP) میں 2.5 سے 3 فیصد تک ترقی متوقع ہے کیونکہ گزشتہ برس بلند ترین جڑواں خساروں کے سبب توسیعی مالیاتی پالیسیاں جاری رکھنے کی حکومتی صلاحیت متاثر ہوئی۔ وسیع پیمانے کی مینوفیکچرنگ (LSM) مالی سال 2019ء کے ساتویں ماہ میں پہلے ہی پست سطح پر ہے، جبکہ کمزور زرعی ترقی (کپاس اور گندم ہدف تک نہیں پہنچ سکیں گے) کے ساتھ ساتھ خوردہ اور تھوک تجارت میں قابل ذکر کمی (درآمدی کمپریشن) کے باعث موجودہ سال کے دوران گُل مجموعی طلب سست روی کا شکار ہوگی۔

روپے کی قدر اور بجلی اور گیس وغیرہ کی قیمتوں میں کمی کے ساتھ ساتھ CPI افراط زر کے دباؤ میں اضافے کی نشاندہی کرتا رہا ہے۔ افراط زر کا اوسط اس سال 7% سے کم رہا لیکن آنے والے مہینوں میں تقریباً 9% پر قائم رہنے کے لیے پُر امید ہے، اور توقع ہے کہ یہ سطح بجلی اور گیس وغیرہ کی قیمتوں میں کمی پیشی کے ساتھ ساتھ روپے کی قدر میں کمی کے سبب رَو اثر کے باعث اگلے مالی سال میں برقرار رہے گی۔ افراط زر میں متوقع مزید اضافے اور ادائیگیوں کے توازن کی کمزور صورتحال کے باعث موجودہ سال میں مرکزی بینک نے انٹریسٹ کی شرحوں میں 500 bps اضافہ کیا۔

حکومت نے اشارہ دیا ہے کہ وہ آئی ایم ایف پروگرام پر غور قریب دستخط کرنے والی ہے۔ ساتھ ساتھ حکومت کو اہم ترین بنیادی مسائل پر توجہ دینی ہوگی تاکہ طویل المیعاد پائیدار معاشی ترقی کی راہ پر گامزن ہو سکے۔

دوران مالی سال مارکیٹ کے شرکاء کی مالیاتی تنگی کی مسلسل توقعات کے باعث پیداواری ختم بلندی کی طرف گامزن رہا۔ پہلے نو ماہ کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں 425 bps اضافہ کیا جو مارکیٹ کے بڑے حصے کی توقعات کے مطابق تھا۔ زیر جائزہ مدت کے دوران پاکستان انویسٹمنٹ بانڈز کی متعدد نیلامیوں کو کمزور حجم اور بلند سطحوں پر شرکت کے باعث اسٹیٹ بینک آف پاکستان کو مسٹر دکرنا پڑا۔ خارجی میدان میں خدشات نے مارکیٹ کے شرکاء کو طویل المیعاد ڈریزری انسٹرومنٹس سے دور رکھا۔ زیر جائزہ مدت کے دوران 314.38 بلین مالیت کے حکومت پاکستان اجارہ سلک کی مدت مکمل ہوئی، اور ان کی جگہ اسٹیٹ بینک آف پاکستان کی طرف سے تازہ سلک جاری نہیں کیے گئے۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2019ء کی تیسری سہ ماہی کے دوران بیج مارک انڈیکس KSE100 نے اپنے کچھ خساروں کی تلافی کر کے 4.3% منافع حاصل کیا اور یوں نو ماہ کے خسارے کو

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

		(Un-audited)			(Audited)		
		March 31, 2019			June 30, 2018		
Note		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		(Rupees in '000)					
ASSETS							
	Balances with banks	4. 3,587	13,204	16,791	77,940	27,395	105,335
	Investments	5. 824,510	744,954	1,569,464	1,326,599	767,744	2,094,343
	Profit receivable	82	136	218	420	221	641
	Preliminary expenses and floatation costs	-	-	-	1,240	-	1,240
	Advance, deposits and other receivables	210	7	217	209	-	209
	Total assets	828,389	758,301	1,586,690	1,406,408	795,360	2,201,768
LIABILITIES							
	Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	85	77	162	191	105	296
	Payable to MCB Financial Services Limited - Trustee	77	65	142	109	68	177
	Payable to Securities and Exchange Commission of Pakistan (SECP)	929	552	1,481	1,385	687	2,072
	Accrued expenses and other liabilities	6 771	277	1,048	822	408	1,230
	Total liabilities	1,862	971	2,833	2,507	1,268	3,775
NET ASSETS		826,527	757,330	1,583,857	1,403,901	794,092	2,197,993
Unit holders' fund (as per statement attached)		826,527	757,330	1,583,857	1,403,901	794,092	2,197,993
Contingencies and Commitments		7					
		--- (Number of units) ---			--- (Number of units) ---		
NUMBER OF UNITS IN ISSUE		8,789,301	7,707,414		15,067,846	7,974,996	
		----- (Rupees) -----			----- (Rupees) -----		
NET ASSET VALUE PER UNIT		94.0379	98.2599		93.1720	99.5728	

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months ended March 31, 2019			Nine Months ended March 31, 2018			Quarter ended March 31, 2019			Quarter ended March 31, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
INCOME												
Gain / (loss) on sale of investments - net	18,562	(8,318)	10,243	(64,011)	4,792	(59,219)	17,278	8,135	25,412	(15,439)	11,702	(3,727)
Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	(909)	380	(529)	18,563	37,334	55,897	(7,380)	3,344	(4,036)	99,053	31,088	130,121
Profit on bank balances	3,763	1,213	4,976	3,583	1,810	5,393	867	559	1,426	1,165	684	1,849
Dividend income	259	151	410	-	-	-	-	-	-	-	-	-
Other income	449	281	729	2,223	708	2,931	-	36	36	671	607	1,278
Total income	22,124	(6,394)	15,830	(39,642)	44,844	5,002	10,785	12,073	22,858	85,450	44,061	129,511
EXPENSES												
Remuneration of the Management Company	406	118	524	623	306	929	47	36	83	201	117	318
Sindh sales tax on remuneration of the Management Company	53	15	68	80	40	120	6	4	10	26	15	41
Remuneration of the Trustee	821	523	1,344	912	479	1,391	234	170	404	294	180	474
Sindh sales tax on remuneration of the Trustee	107	68	175	119	62	181	31	22	53	38	24	63
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	929	552	1,482	1,044	480	1,524	255	179	435	340	201	541
Allocated expenses	1,090	648	1,739	1,242	583	1,825	289	204	494	405	239	644
Auditors' remuneration	180	106	287	232	86	318	-	33	33	57	34	91
Amortisation of preliminary expenses and flotation costs	1,240	-	1,240	1,877	-	1,877	-	-	-	617	-	617
Printing charges	31	18	49	-	20	20	15	10	25	-	6	6
Settlement and bank charges	26	11	37	11	17	28	22	1	23	5	11	16
Listing fee	13	7	20	20	1	21	4	2	7	7	-	7
Legal and professional charges	86	49	135	74	33	107	16	9	25	16	15	31
Provision against Sindh Workers' Welfare Fund	343	-	343	851	-	851	197	-	197	-	-	851
Total expenses	5,325	2,116	7,442	6,234	2,968	9,202	1,165	671	1,837	2,007	1,703	3,710
Net income / (loss) for the period before taxation	16,799	(8,410)	8,388	(45,876)	41,876	(4,200)	9,620	11,402	21,022	83,443	42,358	125,801
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period	16,799	(8,410)	8,388	(45,876)	41,876	(4,200)	9,620	11,402	21,022	83,443	42,358	125,801
Allocation of net income for the period:												
Net income / (loss) for the period	16,799	-	16,799	-	41,876	41,876	9,620	-	9,620	83,443	42,358	125,801
Income already paid on units redeemed	(16,799)	-	(16,799)	-	(1,046)	(1,046)	(9,620)	-	(9,620)	(1,046)	(1,046)	(2,092)
Accounting income available for distribution:	-	-	-	-	40,830	40,830	-	-	-	82,397	41,312	123,709
- Relating to capital gains	-	-	-	-	40,830	40,830	-	-	-	-	-	-
- Including capital gains	-	-	-	-	-	-	-	-	-	-	-	-
Earnings / (loss) per unit	-	-	-	-	40,830	40,830	-	-	-	82,397	41,312	123,709

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

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


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months ended March 31, 2019			Nine Months ended March 31, 2018			Quarter ended March 31, 2019			Quarter ended March 31, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
Net income / (loss) for the period after taxation	16,799	(8,410)	8,388	(45,876)	41,676	(4,200)	9,620	11,402	21,022	83,443	42,358	125,801
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	16,799	(8,410)	8,388	(45,876)	41,676	(4,200)	9,620	11,402	21,022	83,443	42,358	125,801

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

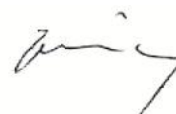
**For MCB-Arif Habib Savings and Investments Limited
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II			Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II		
	Nine Months Ended March 31, 2019						Nine Months Ended March 31, 2018					
	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
	(Rupees in '000)											
Net assets at the beginning of the period	1,510,798	(106,897)	1,403,901	785,630	8,462	794,092	1,583,983	258	1,584,241	87,964	5	87,969
Issuance of units:												
Alhamra Islamic Active/Allocation Plan - I (2019: Nil and 2018: 107,206 units)												
- Capital value (at net assets value per unit at the beginning of the period)	-	-	-	-	-	-	10,723	-	10,723	-	-	-
- Element of income	-	-	-	-	-	-	-	-	-	-	-	-
Alhamra Islamic Active/Allocation Plan - II (2019: 13,683 and 2018: 7,685,269 units)												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	1,360	-	1,360	-	-	-	768,571 (11,311)	-	768,571 (11,311)
- Element of income	-	-	-	1,360	-	1,360	10,723	-	10,723	757,260	-	757,260
Redemption of units:												
Alhamra Islamic Active/Allocation Plan - I (2019: 6,278,545 and 2018: 779,847 units)												
- Capital value (at net assets value per unit at the beginning of the period)	(584,985)	-	(584,985)	-	-	-	(77,997)	-	(77,997)	-	-	-
- Amount paid out of element of income	-	(16,799)	(16,799)	-	-	-	-	-	-	-	-	-
- Relating to 'Net income for the period after taxation'	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-	-	-	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	7,610	-	7,610	-	-	-	3,474	-	3,474	-	-	-
Alhamra Islamic Active/Allocation Plan - II (2019: 281,265 and 2018: 236,689 units)												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	(27,950)	-	(27,950)	-	-	-	(23,670)	-	(23,670)
- Refund / (adjustment) on units as element of income	-	-	-	(167)	-	(167)	-	-	-	827	(1,046)	(219)
	(577,374)	(16,799)	(594,173)	(28,117)	-	(28,117)	(74,523)	-	(74,523)	(22,843)	(1,046)	(23,889)
Total comprehensive income / (loss) for the period	-	16,799	16,799	-	(8,410)	(8,410)	-	(45,876)	(45,876)	-	41,676	41,676
Distribution during the period	-	-	-	-	(1,595)	(1,595)	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	16,799	16,799	-	(10,005)	(10,005)	-	(45,876)	(45,876)	-	41,676	41,676
Net assets at end of the period	933,424	(106,897)	826,527	758,873	(1,543)	757,330	1,520,183	(45,618)	1,474,565	822,381	40,635	863,016
Undistributed (loss) / income brought forward comprising of:												
- Realised		(61,709)			13,697			(6,534)			49	
- Unrealised		(45,188)			(5,235)			6,792			(44)	
		(106,897)			8,462			258			5	
Accounting income available for distribution:												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
		-			-			-			-	
Net loss for the period		-			(8,410)			(45,876)			40,630	
Distribution during the period		-			(1,595)			-			-	
Undistributed (loss) / income carried forward		(106,897)			(1,543)			(45,618)			40,635	
Undistributed (loss) / income carried forward comprising of:												
- Realised		(105,988)			(1,923)			42,840			45,859	
- Unrealised		(909)			380			(88,458)			(5,224)	
		(106,897)			(1,543)			(45,618)			40,635	
	-- (Rupees) --				-- (Rupees) --			-- (Rupees) --			-- (Rupees) --	
Net assets value per unit at beginning of the period	93.1720			99.5728			100.0163			100.0057		
Net assets value per unit at end of the period	94.0379			98.2599			97.2207			103.6255		

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

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


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months ended March 31, 2019			Nine Months ended March 31, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income / (loss) for the period	16,799	(8,410)	8,389	(45,876)	41,676	(4,200)
Adjustments for non cash and other items:						
Amortisation of preliminary expenses and floatation costs	1,240	-	1,240	1,877	-	1,877
Net unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss	909	(380)	529	(18,563)	(37,334)	(55,897)
	2,149	(380)	1,769	(16,686)	(37,334)	(54,020)
Decrease / (Increase) in assets						
Investments	501,180	23,170	524,350	124,011	(700,292)	(576,280)
Profit receivable	338	85	423	2,568	38	2,606
Advance, deposits and other receivables	(1)	(7)	(8)	(6)	-	(6)
	501,517	23,248	524,765	126,574	(700,254)	(573,680)
Decrease in liabilities						
Payable to MCB Arif Habib Savings and Investments - Management Company	(106)	(28)	(134)	(5,553)	42	(5,511)
Payable to MCB Financial Services Limited - Trustee	(32)	(3)	(35)	5	64	69
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(456)	(135)	(591)	321	487	808
Accrued expenses and other liabilities	(51)	(131)	(182)	(12,774)	855	(11,919)
	(645)	(297)	(942)	(18,001)	1,448	(16,553)
Net cash generated from / (used in) operating activities	519,820	14,161	533,981	46,011	(694,464)	(648,453)
CASH FLOWS FROM FINANCING ACTIVITIES						
Amount received on issuance of units	-	1,360	1,360	10,723	757,260	767,983
Amount paid on redemption of units	(594,173)	(28,117)	(622,290)	(74,523)	(23,889)	(98,412)
Cash distribution	-	(1,595)	(1,595)	-	-	-
Net cash (used in) / generated from financing activities	(594,173)	(28,352)	(622,525)	(63,800)	733,371	669,571
Net (decrease) in cash and cash equivalents during the period	(74,353)	(14,191)	(88,544)	(17,789)	38,907	21,118
Cash and cash equivalents at the beginning of the period	77,940	27,395	105,335	104,568	12,996	117,564
Cash and cash equivalents at the end of the period	3,587	13,204	16,791	86,779	51,903	138,682

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

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al-Hamra Islamic Active Allocation Fund (the Fund) was established under a Trust Deed dated, November 25, 2016, executed between MCB-Arif Habib Savings and Investments Limited as Management Company and MCB Financial Services Limited as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 02, 2016 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, off. Shaheed-e-Millat Expressway, Near KPT interchange, Karachi, Pakistan.
- 1.3** The Fund commenced its operations from December 29, 2016. The Fund is an open-end Shariah Compliant Asset Allocation Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP circular No. 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.
- 1.4** The duration of the Fund is perpetual. However, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I). On June 16, 2017, the Fund has launched Allocation Plan-II. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no.7 of 2009 dated March 6, 2009 issued by the SECP. The maturity of Allocation Plan I is two years from the close of the initial offer period of December 29, 2016 (i.e. maturing on December 28, 2018), however, the said maturity has been extended for another one year. The maturity of Allocation Plan II is two years from the close of the initial offer period of June 16, 2017 (i.e. maturing on June 15, 2019).

Considering the above maturity of plans within next twelve months from March 31, 2019, the assets and liabilities reported in these interim financial statements are stated at their realizable values.

- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated April 08, 2019 to the Management Company.
- 1.6** The title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2018.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

- 2.1.3** In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2019 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2018, 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 2018.
- 2.1.4** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.5** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.6** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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, 2018 except for the change in accounting policy as explained in note 3.3.
- 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 recognized 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, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.
- 3.3 Standards and amendments to published accounting and reporting standards that are effective in the current period**

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption. There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the condensed interim financial statements of the Fund.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2019. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		(Un-Audited)		
		March 31, 2019		
Note		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		(Rupees in '000)		
4. BALANCES WITH BANKS				
In current accounts	4.1	1,866	32	1,898
In saving accounts	4.2	1,721	13,172	14,893
		3,587	13,204	16,791

4.1 This represents balance maintained with MCB Bank Limited

4.2 These carry profit at the rates ranging between 6.5% to 10.8% (2018: 5.5% and 6.5%) per annum.

		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		(Rupees in '000)		
In current account		1,997	1,384	3,381
In saving accounts		75,943	26,011	101,954
		77,940	27,395	105,335

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

		(Un-Audited)		
		March 31, 2019		
Note		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		----- (Rupees in '000) -----		

5. INVESTMENTS

At fair value through profit or loss

- Units of open-end mutual funds	5.1	824,510	744,954	1,569,464
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		(Audited)		
		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		----- (Rupees in '000) -----		
- Units of open-end mutual funds		1,326,599	767,744	2,094,343

5.1 Units of open-end mutual funds

Name of the fund	Number of units				Balances as at March 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2018	Purchased during the period	Redemption during the period	As at March 31,2019	Carrying Value	Market Value	Unrealised (loss) / gain		
----- (Rupees in '000) -----									----- % -----

Alhamra Islamic Active Allocation Plan - I

Alhamra Islamic Stock Fund	55,988,654	178,107,911	193,368,822	40,727,743	411,273	398,725	(12,548)	48.24%	48.36%
Alhamra Islamic Income Fund	6,816,335	19,732,381	22,561,720	3,986,996	414,146	425,785	11,640	51.52%	51.64%
Total as at March 31, 2019					825,418	824,510	(909)		
Total as at June 30, 2018					1,371,787	1,326,599	(45,188)		

Alhamra Islamic Active Allocation Plan - II

Alhamra Islamic Stock Fund	32,195,678	73,964,141	68,519,377	37,640,443	379,404	368,500	(10,904)	48.66%	49.47%
Alhamra Islamic Income Fund	3,965,839	6,921,136	7,361,908	3,525,066	365,170	376,454	11,284	49.71%	50.53%
Total as at March 31, 2019					744,574	744,954	380		
Total as at June 30, 2018					772,979	767,744	(5,235)		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

		(Un-Audited)		
		March 31, 2019		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		----- (Rupees in '000) -----		
Note				
6	ACCRUED EXPENSES AND OTHER LIABILITIES			
	Auditors' remuneration	93	58	151
	Provision for Sindh Workers' Welfare Fund (SWWF)	607	176	783
	Payable to legal advisor	37	23	59
	Others	34	21	55
		771	277	1,048

		(Audited)		
		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		----- (Rupees in '000) -----		
	Auditors' remuneration	187	93	280
	Provision for Sindh Workers' Welfare Fund (SWWF)	264	176	440
	Payable to legal advisor	58	27	85
	Others	313	112	425
		822	408	1,230

6.1 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, 2018. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Plan I and II as at March 31, 2019 would have been higher by Re. 0.03 per unit and 0.02 per unit respectively. (June 30, 2018 Plan I Re. 0.0175 per unit and Plan II Re. 0.0221 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

8 REMUNERATION OF THE MANAGEMENT COMPANY

In Alhamra Islamic Active Allocation Plan - I, the Management Company has charged remuneration at the rate of 1% of average annual net assets of the Fund till December 27, 2018. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. From December 28, 2018, the Management Company has charged remuneration at the rate of 10% of accrued bank mark-up.

In Alhamra Islamic Active Allocation Plan - II, the Management Company has charged remuneration at the rate of 1% of average annual net assets of the fund during the period. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

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 available for distribution for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute the income to be earned by the Fund during the year ending June 30, 2019 to the unit holders in cash in the manner as explained above. Accordingly, 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 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

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

11.1 Unit Holders' Fund

For the nine months ended March 31, 2019 (Un-audited)

As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2019
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----- (Number of units) -----

----- (Rupees in '000) -----

Alhamra Islamic Active Allocation Plan - I

Group / associated companies

MCB Employees' Pension Fund	586,520	-	-	586,520	54,647	-	-	55,155
Alhamra Islamic Income Fund	6,816,335	19,732,381	22,561,720	3,986,996	723,157	2,044,411	2,347,000	425,785
Alhamra Islamic Stock Fund	55,988,654	178,107,911	193,368,822	40,727,742	603,558	1,827,000	2,008,940	398,725

Alhamra Islamic Active Allocation Plan - II

Group / associated companies

MCB Employees' Pension Fund	751,350	1,512	-	752,862	74,814	-	-	73,976
Alhamra Islamic Income Fund	3,965,838	6,921,137	7,361,908	3,525,067	420,743	719,939	766,000	376,454
Alhamra Islamic Stock Fund	32,195,678	73,964,141	68,519,377	37,640,442	347,069	751,000	699,302	368,500

Mandate Under discretionary portfolio	52,821	90	-	52,911	5,260	9	-	5,199
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Unit holders holding 10% or more units*	1,001,305	1,763	-	1,003,068	99,703	175	-	98,561
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These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

For the nine months ended March 31, 2018 (Un-audited)

As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018
----- (Number of units) -----				----- (Rupees in '000) -----			

Alhamra Islamic Active Allocation Plan - I

Group / associated companies

MCB Employees Pension Fund	586,520	-	-	586,520	58,662	-	-	57,022
Alhamra Islamic Income Fund	6,151,984	10,520,747	8,802,340	7,870,391	621,815	1,081,000	901,000	824,029
Alhamra Islamic Stock Fund	71,103,335	72,952,335	96,151,542	47,904,128	871,016	841,000	1,081,000	563,353

Alhamra Islamic Active Allocation Plan - II

Group / associated companies

MCB Employees Pension Fund	751,350	-	-	751,350	75,139	-	-	77,859
Alhamra Islamic Income Fund	495,648	10,152,558	6,040,441	4,607,765	50,098	1,035,500	620,004	482,433
Alhamra Islamic Stock Fund	2,029,221	54,997,157	28,952,537	28,073,841	24,858	600,000	320,000	330,148

Unit holders holding 10% or more units		1,001,305		1,001,305		100,000		103,761
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11.2 Transactions during the period:

(Un-Audited)

For nine months ended March 31, 2019

Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		

MCB-Arif Habib Savings and Investments Limited - Management Company

Remuneration of the Management Company (including indirect taxes)	406	118	524
Sindh sales tax on remuneration of the Management Company	53	15	68
Allocated expense (including indirect taxes)	1,090	648	1,739

MCB Financial Services Limited - Trustee

Remuneration of the Trustee (including indirect taxes)	821	523	1,344
Sindh sales tax on remuneration of Trustee	107	68	175

MCB Bank Limited

Bank Charges	8	1	8
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(Un-Audited)

For nine months ended March 31, 2018

----- (Rupees in '000) -----

MCB-Arif Habib Savings and Investments Limited - Management Company

Remuneration of the Management Company (including indirect taxes)	623	306	929
Sindh sales tax on remuneration of the Management Company	80	40	120
Allocated expense (including indirect taxes)	1,242	583	1,825

MCB Financial Services Limited - Trustee

Remuneration of the Trustee (including indirect taxes)	912	479	1,391
Sindh sales tax on remuneration of Trustee	119	62	181

MCB Bank Limited

Bank Charges	2	10	12
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

11.3 Balances outstanding at period end:

	(Un-Audited)		
	March 31, 2019		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	(Rupees in '000)		
MCB-Arif Habib Savings and Investments Limited - Management Company			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	8	11	19
Sindh sales tax payable on Management Company remuneration	1	1	2
Payable against allocated expenses	76	65	140
MCB Financial Services Limited - Trustee			
Payable to MCB Financial Services Limited - Trustee	69	58	127
Sindh sales tax payable on Trustee remuneration	8	8	15
MCB Bank Limited - Group / associated company			
Balances with bank - current account	1,866	32	1,898
	(Audited)		
	June 30, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	(Rupees in '000)		
MCB-Arif Habib Savings and Investments Limited - Management Company			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	66	34	100
Sindh sales tax payable on Management Company remuneration	9	4	13
Payable against allocated expenses	116	67	183
MCB Financial Services Limited - Trustee			
Payable to MCB Financial Services Limited - Trustee	98	60	158
Sindh sales tax payable on Trustee remuneration	11	8	19
MCB Bank Limited - Group / associated company			
Balances with bank - current account	1,997	1,384	3,381

12 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2018 to March 31, 2019 is 0.38 % & 0.25 % (March 31, 2018: 0.43 % & 0.43 %) and this includes 0.09 % & 0.07 % (March 31, 2018: 0.1 % & 0.22 %) representing government levy, Sindh Worker's Welfare Fund and SECP fee. This ratio is within the maximum limit of 2.5 % prescribed under the NBFC Regulations for a collective investment scheme categorized as a " Shariah Compliant Fund of Fund Scheme".

13 GENERAL

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

14 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 19, 2019 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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