



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 ASSET ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
<b>Risk Management Committee</b>	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Company Secretary</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Chief Financial Officer</b>	Mr. Abdul Basit	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
<b>Bankers</b>	MCB Bank Limited United Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Meezan Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited MCB Islamic Bank Limited Askari Bank Limited Silk Bank Limited Habib Bank Limited Bank Al Baraka (Pakistan) Limited	
<b>Auditors</b>	<b>A.F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Rating</b>	<b>AM2++</b> 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 Asset Allocation Fund's** 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%).

## FUND PERFORMANCE

During the period under review, the fund delivered a negative return of 1.77% as against its benchmark negative return of 8.38%.

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

On the equities front, the overall allocation was 66.5% at the end of the period under review. The fund increased its exposure in Fertilizer and Oil & Gas Exploration Companies while decreased exposure in Cement. On the fixed income side, exposure in Sukuk remained 0%.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 3,489 million as compared to Rs. 3,634 million as at June 30, 2018 registering a decrease of 3.99%.

The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 68.8093 as compared to opening NAV of Rs. 70.0492 per unit as at June 30, 2018 registering a decrease of Rs. 1.2399 per unit.

### 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.

### 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

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 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، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کی مسلسل پشت پناہی اور تعاون کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹر منیجمنٹ ٹیم کی کاوشوں کو بھی سراہتے ہیں۔

من جانب ڈائریکٹر،



نسیم بیگ  
وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
19 اپریل، 2019ء



## 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 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 ایکویٹی 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 ریفاہنری، 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۔

انڈسٹریل سیکٹر 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 ریفاہنریز 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)۔

## فنانس کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 1.77% منفی منافع پوسٹ کیا جبکہ بیج مارک منفی منافع 8.38% تھا۔ ایکویٹی کے میدان میں زیر جائزہ مدت کے اختتام پر مجموعی انحصار 66.5% تھا۔ فنڈ کی فریٹلائزرز اور آئل اینڈ گیس ایکسپلوریشن کمپنیز میں شمولیت میں اضافہ کیا گیا جبکہ سینٹ میں شمولیت کو کم کیا گیا۔ مقررہ آمدنی کی جہت میں سلک میں شمولیت 0% رہی۔

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 3,489 ملین روپے تھے جو 30 جون 2018ء کی سطح 3,634 ملین روپے کے مقابلے میں 3.99% کمی ہے۔ 31 مارچ 2019ء کو فنڈ کی net اثاثہ جاتی قدر (NAV) فی یونٹ 68.8093 روپے تھی، جو 30 جون 2018ء کی ابتدائی قدر 70.0492 روپے فی یونٹ کے مقابلے میں 1.2399 روپے فی یونٹ کمی ہے۔

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



## عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے الحمد للہ اسلامک Asset ایکشن فنڈ 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 خطرے 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 برآں، حالیہ رجحان زیادہ اُمید افزا ہے کیونکہ فروری 2019ء کا کرنٹ اکاؤنٹ کا خسارہ 400 بلین 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 بلین 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 کمزوری ترقی (کپاس اور گندم ہدف تک نہیں پہنچ سکیں گے) کے ساتھ ساتھ خوردہ اور تھوک تجارت میں قابل ذکر کمی (درآمداتی کمپیشن) کے باعث موجودہ سال کے دوران کل 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 سطح بجلی اور گیس وغیرہ کی قیمتوں میں کمی پیشی کے ساتھ ساتھ روپے کی قدر میں کمی کے سبب روادار کے باعث اگلے مالی سال میں برقرار رہے گی۔ افراط زر میں متوقع مزید اضافے اور ادائیگیوں کے توازن کی کمزوری 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 عنقریب 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 خم 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 مسترد کرنا پڑا۔ خارجی میدان میں خدشات نے مارکیٹ کے شرکاء کو طویل المیعاد ڈیڑھری 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۔

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

		March-31, 2019 (Unaudited)	June 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	-----
<b>ASSETS</b>			
Balances with banks	4	1,054,477	1,892,537
Investments	5	2,381,450	1,819,611
Dividend, profit and other receivables		29,353	10,681
Advances, deposits and prepayments		74,220	3,245
<b>Total assets</b>		<b>3,539,499</b>	<b>3,726,074</b>
<b>LIABILITIES</b>			
Payable to MCB Arif Habib Savings and Investments Limited - Management Company		12,577	14,056
Payable to Central Depository Company of Pakistan Limited		437	420
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		2,675	2,369
Payable against purchase of investments		17,978	57,694
Accrued and other liabilities	6	16,954	17,998
<b>Total liabilities</b>		<b>50,621</b>	<b>92,537</b>
<b>NET ASSETS</b>		<b>3,488,878</b>	<b>3,633,537</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>3,488,878</b>	<b>3,633,537</b>
<b>Contingencies and commitments</b>	7		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>50,703,551</b>	<b>51,871,228</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>68.8093</b>	<b>70.0492</b>

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

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

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

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

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine months period ended		Quarter ended	
	March 31,		March 31,	
	2019	2018	2019	2018
Note	(Rupees in '000)		(Rupees in '000)	
<b>INCOME</b>				
Net gain / (loss) on sale of investments	2,174	(4,113)	2,401	54,627
Dividend income	75,052	42,380	18,488	14,779
Income on term deposit musharika	-	1,881	-	1,180
Income on term deposit	960	-	90	-
Income from sukkuk certificates	-	34	-	-
Profit on bank deposits	113,222	52,183	36,685	22,701
Net unrealised (loss) / gain on revaluation of investments at fair value through profit or loss'	5.1 (169,106)	51,413	46,506	89,505
<b>Total Income</b>	<b>22,301</b>	<b>143,778</b>	<b>104,170</b>	<b>182,792</b>
Impairment loss on investment in equity securities classified as 'available-for-sale'	-	(8,587)	-	(8,587)
<b>EXPENSES</b>				
Remuneration of the Management Company	56,314	32,901	18,043	13,476
Sindh Sales tax on remuneration of the Management Company	7,321	4,277	2,346	1,752
Expenses allocated by the Management Company and related taxes	3,123	1,859	961	762
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	3,566	2,396	1,149	921
Sindh Sales tax on trustee fee	464	311	149	119
Annual fee to Securities and Exchange Commission of Pakistan	2,675	1,563	857	640
Brokerage, settlement and bank charges	4,269	4,483	1,228	1,694
Printing and related costs	49	(3)	25	9
Fees and subscription	44	658	7	196
Shariah advisory fee	675	675	225	225
Auditors' remuneration	325	539	124	154
Legal and professional charges	135	115	26	24
Selling and marketing expenses	11,263	6,580	3,609	2,695
Donation	1,148	662	299	230
<b>Total expenses</b>	<b>91,370</b>	<b>57,016</b>	<b>29,047</b>	<b>22,897</b>
<b>Net (loss) / income from operating activities</b>	<b>(69,069)</b>	<b>78,175</b>	<b>75,123</b>	<b>151,308</b>
Provision for Sindh Worker's Welfare Fund (SWWF)	-	(1,564)	-	(1,564)
<b>Net loss for the period before taxation</b>	<b>(69,069)</b>	<b>76,611</b>	<b>75,123</b>	<b>149,744</b>
Taxation	8 -	-	-	-
<b>Net (loss) / Income for the period after taxation</b>	<b>(69,069)</b>	<b>76,611</b>	<b>75,123</b>	<b>149,744</b>
<i>Allocation of net income for the period:</i>				
Net loss for the period after taxation	-	76,611	-	149,744
Income already paid on units redeemed	-	(287)	-	(287)
	-	76,324	-	149,457
<i>Accounting loss available for distribution:</i>				
- Relating to capital gains	-	47,050	-	143,882
- Excluding capital gains	-	29,274	-	5,575
	-	76,324	-	149,457
<b>(Loss) / earning per unit</b>				

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

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

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

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

  
\_\_\_\_\_  
**Director**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019**

	Nine months period ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
<b>Net loss for the period after taxation</b>	<b>(69,069)</b>	76,611	<b>75,123</b>	149,744
<b>Other comprehensive income for the period:</b>				
Net unrealised appreciation on re-measurement of investments classified as 'available-for-sale'		1,441	-	7,484
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(69,069)</u></b>	<b><u>78,052</u></b>	<b><u>75,123</u></b>	<b><u>157,228</u></b>

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months period ended March 31, 2019				Nine months period ended March 31, 2018			
	------(Rupees in '000)-----							
	Capital value	Undistribut ed income/ (accumulate d loss)	Unrealised appreciation / (diminution) on available-for- sale investments	Total	Capital value	Undistribut ed income	Unrealised appreciation / (diminution) on available-for-sale investments	Total
Net assets at beginning of the period	3,513,190	97,827	22,520	3,633,537	1,272,574	175,020	37,664	1,485,258
Change in accounting policy - note 3.3	-	22,520	(22,520)	-	-	-	-	-
Net assets at beginning of the period	3,513,190	120,347	-	3,633,537	1,272,574	175,020	37,664	1,485,258
Issuance of 8,782,750 units (2017: 20,823,015 units):								
- Capital value (at net asset value per unit at the beginning of the period)	754,963	-	-	754,963	2,359,090	-	-	2,359,090
- Element of income	2,854	-	-	2,854	(82,367)	-	-	(82,367)
	757,817	-	-	757,817	2,276,723	-	-	2,276,723
Redemption of 7,339,182 units (2017: 6,473,475 units):								
- Capital value (at net asset value per unit at the beginning of the period)	(836,758)	-	-	(836,758)	(694,974)	-	-	(694,974)
- Element of loss	3,351	-	-	3,351	26,636	(287)	-	26,349
	(833,407)	-	-	(833,407)	(668,338)	(287)	-	(668,625)
Total comprehensive loss for the period	-	(69,069)	-	(69,069)	-	76,611	1,441	78,052
Distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(69,069)	-	(69,069)	-	76,611	1,441	78,052
Net assets at end of the period	5,104,414	51,278	-	3,488,878	2,880,958	251,344	39,105	3,171,407
Undistributed income brought forward comprising of:								
- Realised gain		97,827				165,326		
- Unrealised gain		-				9,694		
		97,827				175,020		
Change in accounting policy - note 3.3		22,520				-		
Undistributed income brought forward - restated		120,347				175,020		
Accounting loss available for distribution:								
- Relating to capital gains		-				76,611		
- Excluding capital gains		-				(287)		
						76,324		
Net loss for the period after taxation		(69,069)						
Undistributed income carried forward		51,278				251,344		
Undistributed income carried forward comprising of:								
- Realised gain		220,384				466,683		
- Unrealised loss		(169,106)				(215,339)		
		51,278				251,344		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				70.0492				73.0135
Net assets value per unit at end of the period				68.8093				73.5244

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

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

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

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

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months period ended March 31,	
	2019	2018
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(69,069)	76,611
<b>Adjustments for:</b>		
Net unrealised loss / (gain) on revaluation of investments 'at fair value through profit or loss'	169,106	(51,413)
Dividend income	(75,052)	(42,380)
Impairment loss on 'available-for-sale' investment	-	8,587
	<u>24,985</u>	<u>(8,595)</u>
<b>Decrease in assets</b>		
Investments	(630,945)	(578,014)
Profit receivable	(18,672)	(9,072)
	-	(25,933)
Advances, deposits and prepayments	(70,975)	1,051
	<u>(720,592)</u>	<u>(611,969)</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(1,479)	8,215
Payable to Central Depository Company of Pakistan Limited	17	152
Payable to Securities and Exchange Commission of Pakistan	306	441
Payable against purchase of investments	(39,716)	10,086
Accrued and other liabilities	(1,044)	761
	<u>(41,916)</u>	<u>19,655</u>
Dividend received	75,052	32,542
<b>Net cash used in operating activities</b>	<u>(662,471)</u>	<u>(568,367)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	757,817	2,276,723
Payments on redemption of units	(833,407)	(668,625)
<b>Net cash generated / (used in) from financing activities</b>	<u>(75,590)</u>	<u>1,608,097</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(738,060)</u>	<u>1,039,730</u>
Cash and cash equivalents at beginning of the period	1,892,537	846,966
<b>Cash and cash equivalents at end of the period</b>	<u>10</u> <u>1,154,477</u>	<u>1,886,696</u>

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

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

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

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

  
\_\_\_\_\_  
Director

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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Asset Allocation Fund (formerly: Pakistan International Element Islamic Asset Allocation Fund) (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (the Management Company, "AHIL") as Management Company and the Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on December 14, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in securities 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 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of "AM2++" with a stable outlook (June 30, 2018: AM2++) to the Management Company on April 8, 2019 and has assigned a short-term ranking of "4-Star" & long-term of "4-Star" on October 31, 2018 to the Fund.
- 1.5 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1. STATEMENT OF COMPLIANCE

- 2.1.1 "These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:"

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.1.3 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

- 2.1.4** 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.
- 2.1.5** 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.
- 2.1.6** 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.
- 2.1.7** 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 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 change in accounting policy as stated in note 3.3.
- 3.2** The preparation of the condensed interim financial statements in conformity with the accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that 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 financial statements as at and 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. All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

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 investments being managed as a group

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

of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. Consequently, on adoption of IFRS 9 all investments in equity instruments which were previously classified as "available for sale" have been transferred / redesignated as FVPL.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period. The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018
	-----Rupees in '000-----		
<b>Impact on Statement of Assets and Liabilities</b>			
Investments - 'Available for sale'	137,328	(137,328)	-
Investments - 'At fair value through profit or loss'	1,682,283	137,328	1,819,611
<b>Impact on Statement of Unitholders' fund</b>			
Unrealised appreciation / (diminution) on 'Available-for-sale' investments	22,520	(22,520)	-
Undistributed income	97,827	22,520	120,347

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.

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 approved accounting 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	(Audited) June 30, 2018
<b>4 BANK BALANCES</b>	<b>Note</b>	----- (Rupees in '000) -----	
In current accounts	4.1	6,935	10,384
In saving accounts	4.2	1,047,541	1,882,153
		<u>1,054,477</u>	<u>1,892,537</u>

**4.1** These include Rs. 6.7 million (June 30, 2018: Rs 6.5 million) maintained with MCB Bank Limited, a connected person / related party.

**4.2** These carry profit at the rates ranging between 5.5% to 10.8% (June 30, 2018: 5.25% and 6.5%) per annum and include Rs. 0.45 million maintained with MCB Islamic Bank Limited, (a related party) which carries profit at the rate of 5.5% per annum and Rs. 0.38 million maintained with Silk Bank Limited (a related party) which carries profit at the rate of 8.4% per annum.

# 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	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>5 INVESTMENTS</b>			
<b>Investment by category</b>			
<b>'At fair value through profit or loss "</b>			
- Quoted equity securities	5.1	2,281,450	1,682,283
<b>'Available-for-sale'</b>			
- Quoted equity securities	3.3	-	137,328
<b>At amortised cost</b>			
- Term deposit receipt	5.2	100,000	-
		<b>2,381,450</b>	<b>1,819,611</b>

During the period, the Fund has adopted IFRS-9: "Financial Instruments" which has replaced IAS-39: "Financial Instruments: Recognition and Measurement". As a result of adoption of IFRS-9, investments amounting to Rs. 137.328 million have been reclassified from 'Available for sale' as at June 30, 2018 to 'fair value through profit or loss' category with effect from July 1, 2018 (as disclosed in note 3.3).

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

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

Name of the investee company	Number of shares						Balance as at March 31, 2019			Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company	
	As at July 01, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 3.3	As at July 1, 2018 - Adjusted	Purchased during the year	Right issue/Bonus during the year	Sold during the year	As at March 31, 2019	Carrying value	Market value	Unrealised (loss)/ gain	As a percentage of total investments		As a percentage of net assets
----- (Rupees in '000) ----- % -----													
<b>Automobile Parts and accessories</b>													
Agriauto Industries Limited	-	37,000	37,000	-	-	-	37,000	10,915	8,374	(2,541)	0.35%	0.24%	13.00%
Millat Tractors Limited	50,000	-	-	-	-	50,000	-	-	-	-	-	-	-
								10,915	8,374	(2,541)	0.35%	0.24%	13.00%
<b>Cable and electrical goods</b>													
Pak Elektron Limited	500,000	-	-	-	-	500,000	-	-	-	-	-	-	-
								-	-	-	-	-	-
<b>Cement</b>													
Cherat Cement Company Limited	50,000	-	-	-	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	623,000	-	-	225,000	-	848,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	465,500	-	-	-	-	465,500	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Limited	62,600	-	-	-	14,700	13,600	63,700	6,030	5,467	(563)	0.23%	0.16%	3.00%
Lucky Cement Limited	256,900	-	-	128,250	-	32,600	352,550	181,423	150,976	(30,447)	6.34%	4.33%	11.00%
Maple Leaf Cement Factory Limited	1,225,000	-	-	1,350,000	-	1,225,000	1,350,000	54,377	50,558	(3,819)	2.12%	1.45%	20.00%
								241,830	207,001	(34,829)	8.70%	5.92%	34.00%

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

Name of the investee company	Number of shares							Balance as at March 31, 2019			Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 3.3	As at July 1, 2018 - Adjusted	Purchased during the year	Right issue/Bonus during the year	Sold during the year	As at March 31, 2019	Carrying value	Market value	Unrealised (loss)/ gain	As a percentage of total investments	As a percentage of net assets	
----- (Rupees in '000) ----- % -----													
<b>Chemical</b>													
Engro Polymer and Chemicals Limited	3,270,748	-	-	4,237,248	-	4,024,248	3,483,748	112,168	126,530	14,362	5.31%	3.56%	38.00%
ICI Pakistan Limited	-	12,000	-	-	-	12,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	201,000	-	-	1,446,500	-	1,647,500	-	-	-	-	-	-	-
								<b>112,168</b>	<b>126,530</b>	<b>14,362</b>	<b>5.31%</b>	<b>3.56%</b>	<b>38.00%</b>
<b>Commercial banks</b>													
Meezan Bank Limited	10	-	-	1,290,000	1	375,000	915,011	83,840	90,632	6,792	3.81%	2.60%	0.08%
								<b>83,840</b>	<b>90,632</b>	<b>6,792</b>	<b>3.81%</b>	<b>2.60%</b>	<b>0.08%</b>
<b>Engineering</b>													
International Industries Limited	156,600	-	-	-	-	-	144,600	33,589	17,945	(15,644)	0.75%	0.51%	0.12%
								<b>33,589</b>	<b>17,945</b>	<b>(15,644)</b>	<b>0.75%</b>	<b>0.51%</b>	<b>0.12%</b>
<b>Fertilizers</b>													
Dawood Hercules Corporation	45,400	149,200	194,600	-	-	194,600	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizer Limited	1,735,000	-	-	597,000	-	-	2,332,000	175,122	166,855	(8,267)	7.01%	4.79%	0.17%
Engro Corporation Limited	384,000	-	-	402,800	-	126,000	660,800	209,149	216,234	7,085	9.08%	6.15%	0.13%
Fatima Fertilizer Company Limited	400,000	-	-	1,680,500	-	-	2,080,500	68,888	69,447	559	2.92%	1.99%	0.10%
								<b>453,158</b>	<b>452,535</b>	<b>(623)</b>	<b>19.00%</b>	<b>12.93%</b>	<b>0.40%</b>
<b>Leather and tanneries</b>													
Service Industries Limited	22,000	3,050	25,050	-	-	25,050	-	-	-	-	-	-	-
								<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Food and personal care products</b>													
Al-Shaheer Corporation Limited	53,000	-	-	12,000	-	65,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Foods Limited	-	700	700	-	-	-	700	62	48	(14)	-	-	-
National Foods Limited	-	-	-	67,000	13,400	-	80,400	19,095	15,199	(3,896)	0.64%	0.44%	0.06%
								<b>19,157</b>	<b>15,247</b>	<b>(3,910)</b>	<b>0.64%</b>	<b>0.44%</b>	<b>0.06%</b>
<b>Oil and gas exploration companies</b>													
Mari Petroleum Company Limited	-	2,260	2,260	25,000	2,726	29,980	6	8	8	(1)	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited	955,000	242,400	1,197,400	600,000	-	115,000	1,682,400	258,489	248,238	(10,251)	10.42%	7.06%	0.04%
Pakistan Oilfields Limited	265,300	43,500	308,800	190,000	60,960	152,100	407,660	210,241	182,326	(27,915)	7.66%	5.21%	0.14%
Pakistan Petroleum Limited	334,500	831,000	1,165,500	591,100	123,780	33,000	1,847,380	332,048	341,747	9,699	14.35%	9.38%	0.08%
								<b>800,786</b>	<b>772,319</b>	<b>(28,468)</b>	<b>32.44%</b>	<b>21.66%</b>	<b>0.26%</b>
<b>Oil and gas marketing companies</b>													
Attock Petroleum Limited	350	200	550	-	110	650	10	5	4	(1)	0.00%	0.00%	0.00%
Hi-Tech Lubricants Limited	154,400	-	-	-	-	154,400	-	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Companylimited.	-	-	-	348,200	43,840	-	392,040	107,241	84,751	(22,490)	3.56%	2.40%	0.10%
Sui Northern Gas Company Limited	800,000	-	-	946,500	-	130,000	1,616,500	148,412	121,415	(26,996)	5.10%	3.38%	0.25%
								<b>255,658</b>	<b>206,171</b>	<b>(49,487)</b>	<b>8.66%</b>	<b>5.78%</b>	<b>0.35%</b>
<b>Paper and Board</b>													
Packages Limited	-	350	350	-	-	-	350	171	133	(38)	0.00%	0.00%	0.00%
								<b>171</b>	<b>133</b>	<b>(38)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Pharmaceuticals</b>													
AGP Limited	453,532	-	453,532	37,500	-	491,000	32	3	3	(0)	0.00%	0.00%	0.00%
IBL Healthcare Limited	-	4,933	4,933	-	-	-	4,933	396	205	(191)	-	-	0.01%
The Searle Company Limited	35,000	186	35,186	18,300	2,772	55,000	1,258	366	298	(68)	0.01%	0.01%	0.00%
								<b>765</b>	<b>505</b>	<b>(260)</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>
<b>Power generation and distribution</b>													
Hub Power Company Limited	1,759,000	270,744	2,029,744	1,185,000	-	326,000	2,888,744	263,326	211,832	(51,495)	8.90%	6.23%	0.25%
K-Electric Limited	2,894,000	-	-	-	-	2,894,000	-	-	-	-	0.00%	0.00%	0.00%
								<b>263,326</b>	<b>211,832</b>	<b>(51,495)</b>	<b>8.90%</b>	<b>6.23%</b>	<b>0.25%</b>

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

Name of the investee company	Number of shares						Balance as at March 31, 2019			Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company	
	As at July 01, 2018	Transfers from 'Available for sale' category upon adoption of IFRS 9 - note 3.3	As at July 1, 2018 - Adjusted	Purchased during the year	Right issue/Bonus during the year	Sold during the year	As at March 31, 2019	Carrying value	Market value	Unrealised (loss)/gain	As a percentage of total investments		As a percentage of net assets
----- (Rupees in '000) ----- % -----													
<b>Sugar and allied industries</b>													
Faran Sugar Mills Limited	92,000	-	-	-	-	-	92,000	7,645	5,520	(2,125)	0.23%	0.16%	0.37%
								<b>7,645</b>	<b>5,520</b>	<b>(2,125)</b>	<b>0.23%</b>	<b>0.16%</b>	<b>0.37%</b>
<b>Technology and communication</b>													
Pakistan Telecommunication Company Limite	-	-	-	131,500	-	-	131,500	1,335	1,195	(139)	0.05%	0.03%	0.00%
Systems Limited	350,000	-	-	153,000	-	-	503,000	51,041	53,570	2,528	2.25%	1.54%	0.45%
								<b>52,376</b>	<b>54,765</b>	<b>2,389</b>	<b>0.05%</b>	<b>0.03%</b>	<b>0.00%</b>
<b>Textile composite</b>													
Kohinoor Textile Mills Limited	185,500	29,150	214,650	-	-	-	214,650	11,804	9,631	(2,172)	0.40%	0.27%	0.07%
Nishat Mills Limited	856,000	-	856,000	-	-	413,400	442,600	62,371	59,578	(2,793)	2.50%	1.68%	0.13%
								<b>74,175</b>	<b>69,210</b>	<b>(4,965)</b>	<b>2.91%</b>	<b>1.95%</b>	<b>0.20%</b>
<b>Glass&amp;Ceramics</b>													
Tariq Glass Industries	-	-	-	422,000	-	-	422,000	40,995	42,732	1,736	1.79%	0.00%	0.00%
								<b>40,995</b>	<b>42,732</b>	<b>1,736</b>	<b>1.79%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Miscellaneous</b>													
Shifa International Hospitals Limited	-	222	222	-	-	222	-	-	-	-	-	-	-
<b>Total as at March 31, 2019</b>								<b>2,450,555</b>	<b>2,281,450</b>	<b>(169,106)</b>			
Total as at June 30, 2018								1,806,634	1,682,283	(124,351)			

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

\*\* These have a face value of Rs.5 per share

**5.1.1** Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by SECP:

Security Name	(Un-Audited) March 31, 2019	(Audited) June 30, 2018	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	----- (Number of shares) -----		----- (Rupees in '000) -----	
Oil & Gas Development Company Limited	<b>100,000</b>	100,000	<b>14,755</b>	15,562
Hub Power Company Limited	<b>233,744</b>	233,744	<b>17,140</b>	21,542
Lucky Cement Limited	<b>25,000</b>	25,000	<b>10,706</b>	12,698
	<b>358,744</b>	358,744	<b>42,601</b>	49,802

## 5.2 Term Deposit Musharika (TDM) - At amortised cost

Particular	Interest / mark-up rates	Issue date	Maturity date	Carrying Amount
Rs in 000				
Bank Islami Pakistan Limited	11.00%	29-Mar-19	29-Apr-19	<b>100,000</b>

**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	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>6 ACCRUED AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund (SWWF)	6.1	<b>7,622</b>	7,622
Federal Excise Duty payable on management fee	6.2	<b>5,910</b>	5,910
Federal Excise Duty and related taxes payable on sales load		<b>1,136</b>	1,136
Charity / donation payable		<b>1,148</b>	939
Auditors' remuneration		<b>208</b>	369
Zakat payable		-	15
Withholding tax payable		-	70
Brokerage payable		<b>759</b>	1,126
Other payables		<b>171</b>	811
		<b>16,954</b>	17,998

**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 Fund as at March 31, 2019 would have been higher by Re. 0.1503 per unit (June 30, 2018 Re. 0.1469 per unit).

**6.2 Federal Excise Duty and related tax payable**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2018. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2019 would have been higher by Re. 0.1166 per unit (June 30, 2018: Re. 0.1139 per unit).

**7 CONTINGENCIES AND COMMITMENTS**

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

**8 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.

**9 (Loss) / EARNING PER UNIT**

(Loss) / Earning 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.

# 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	(Un-Audited) March 31, 2019
	Note		----- (Rupees in '000) -----	
<b>10 CASH AND CASH EQUIVALENTS</b>				
Balances with banks	4		<b>1,054,477</b>	1,791,696
Term Deposit Musharika (TDM)	5.2		<b>100,000</b>	95,000
			<b><u>1,154,477</u></b>	<b><u>1,886,696</u></b>

## 11 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

### 11.1 Unit Holders' Fund

	March 31, 2019 (Un-Audited)							
	As at July 01, 2018	Issued for cash	Redeemed	As at March 31, 2019	As at July 01, 2018	Issued for cash	Redeemed	As at March 31, 2019
	----- Units -----				----- (Rupees in '000) -----			
<b>Group / Associated Companies</b>								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	111,064		-	111,064	7,780	-	-	7,642
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	-	431,441	-	431,441	-	30,000	-	29,687
Adamjee Life Assurance Company Limited - Investment secure fund	-	143,814		143,814	-	10,000	-	9,896
Nishat Power Limited Employees Provident Fund Trust	-	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - (MAZAAF)	919,634	-	565,230	354,404	64,420	-	40,000	24,386
<b>Key management personnel</b>	12,157	18,673	1,373	29,457	852	1,313	95	2,027
Mandate under Discretionary Portfolio Services *	1,216,366	7,335	1,031,227	192,474	85,205	505	70,843	13,244



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

	March 31, 2018 (Un-Audited)							
	As at July 01, 2017	Issued for cash	Redeemed	As at March 31, 2018	As at July 01, 2017	Issued for cash	Redeemed	As at March 31, 2018
	Units				(Rupees in '000)			
<b>Group / Associated Companies</b>								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	111,064	-	111,064	-	8,109	-	7,552	-
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	2,070,914	-	2,070,914	-	151,205	-	143,331	-
Nishat Power Limited Employees Provident Fund Trust	2,919	-	2,919	-	213	-	199	-
Adamjee Life Assurance Company Limited - (MAZAAF)	-	208,499	-	208,499		14,500	-	15,330
<b>Key management personnel</b>	16,831	37,938	35,765	19,004	1,229	2,664	2,521	1,397
<b>Mandate under Discretionary Portfolio Services *</b>	1,186,526	223,516	156,356	1,253,686	86,623	16,040	11,166	92,176

\* This reflects position of related party / connected persons status

----- (Un-Audited) -----	
Nine months ended	
March 31, 2019	March 31, 2018
----- (Rupees in '000) -----	

## 11.2 Transactions during the period:

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

Remuneration (including indirect taxes)	63,635	21,950
Expenses allocated by the Management Company and related taxes	3,123	1,097
Selling and marketing expenses	11,263	3,885
Shariah advisory fee	675	450

### Central Depository Company of Pakistan Limited - Trustee

Remuneration including indirect taxes	4,030	2,707
Settlement charges	128	179

### Group / Associated Companies:

#### MCB Bank Limited

Bank charges	9	13
Profit on bank deposits	12	6

#### Silk Bank Limited

Markup on bank deposit	17,928	2,597
Bank charges	21	2

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

		----- (Un-Audited) -----	
		Nine months ended	
		March 31, 2019	March 31, 2018
		----- (Rupees in '000) -----	
<b>Arif Habib Limited</b>			
Brokerage expense *		256	447
<b>Next Capital Limited</b>			
Brokerage expense *		106	164
<b>Nishat Mills Limited</b>			
Purchase of Nil (2018: 577,400) shares		-	89,094
Sale of 413,400 (2018: Nil) shares		56,117	-
Dividend income		2,696	1,580
<b>Mughal Iron and Steel Limited</b>			
Purchase of Nil (2018: 314,500) shares		-	23,588
Sale of Nil (2018: 314,500) shares			22,099
Dividend income		-	645
<b>D.G. Khan Cement Company Limited</b>			
Purchase of 225,000 (2018: 1,582,300) shares		20,751	230,340
Sale of 848,000 (2018: 1,289,300) shares		96,129	194,093
Dividend income		-	450
<b>Fatima Fertilizer Company Limited</b>			
Purchase of 1,680,500 (2018: 400,000) shares		55,928	12,500
Sale of Nil (2018: 300,000) shares		-	8,654
Dividend income		-	81
		(Un-Audited)	(Audited)
		March 31,	June 30,
		2019	2018
		----- (Rupees in '000) -----	
11.3	Balances outstanding at period / year end:		
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>			
	Remuneration payable	6,036	5,782
	Sindh sales tax payable on management remuneration	785	752
	Expense allocated by the Management Company	302	289
	Selling and marketing expenses payable	3,608	3,396
	Load payable	1,771	3,762
	Shariah advisory fee payable	75	75
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
	Remuneration payable (including indirect taxes)	437	420
	Security deposit	200	200
<b>Group / Associated Companies:</b>			
<b>MCB Bank Limited</b>			
	Balance with bank	6,696	6,479

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

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

	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	----- (Rupees in '000) -----	
<b>Arif Habib Limited</b>		
Brokerage payable *	60	18
<b>Next Capital Limited</b>		
Brokerage payable *	12	74
<b>MCB Islamic Bank Limited</b>		
Balances with bank	449	243
Profit receivable on deposit account with bank	-	194
<b>D.G. Khan Cement Company Limited</b>		
Nil shares held (June 30, 2018: 623,000 shares)	-	71,327
<b>Nishat Mills Limited</b>		
442,600 shares held (June 30, 2018: 856,000 shares)	59,578	120,628
<b>Fatima Fertilizer Company Limited</b>		
2,080,500 shares held (June 30, 2018: 400,000 shares)	69,447	12,960

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

## 12 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2018 to March 31, 2019 is 2.41% (March 31, 2018: 2.67%) and this includes 0.26% (March 31, 2018: 0.36%) representing government levy, Sindh Worker's Welfare Fund and SECP fee. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorized as a "Shariah Compliant Asset Allocation Scheme".

## 13 GENERAL

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

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

## 14 DATE OF AUTHORISATION

14.1 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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