



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 Income 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	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	Habib Bank Limited MCB Bank Limited United Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited National Bank of Pakistan Askari Bank Limited Bank Islami Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Al-Baraka Bank Pakistan Limited Silk Bank Limited MCB Islamic Bank Limited Habib Metropolitan Bank Limited	
Auditors	Deloitte Yousuf Adil Chartered Accountant Cavish Court, A-35, Block-7 & 8, KCHSU, Shahra-e-Faisal, Karachi -75350.	
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, Centrepont, 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 Income 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.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 7.53% as against its benchmark return of 3.29%, registering an outperformance of 4.24% during the period.

During the period, the fund increased its exposure in Sukuks, which stood at around 33.1% as compared to 25% at June 30, 2018. The fund was 12.0% invested in Shariah Compliant Commercial Paper while most of the remaining exposure was in cash and Shariah Compliant Term Deposit Receipts at relatively attractive rates.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 2,350 million as compared to Rs. 2,715 million as at June 30, 2018 registering a decrease of 13.44%.

The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 106.8476 as compared to opening NAV of Rs. 106.0918 per unit as at June 30, 2018 registering a decrease of Rs.0.7558 per unit.

MARKET & ECONOMY - FUTURE OUTLOOK

The tough measures taken by the incumbent government in the form of currency adjustments and monetary tightening

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

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.

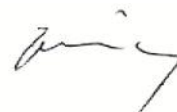
ACKNOWLEDGMENT

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

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 دو چار 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، ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو بھی سراہتے ہیں۔

من جانب ڈائریکٹرز،



نسیم بیگ
وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
19 اپریل، 2019ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 7.53% تھا جبکہ اس کا بیچ مارک منافع 3.29% تھا، یعنی فنڈ نے دوران مدت 4.24% بہتر کارکردگی کا مظاہرہ کیا۔

دوران مدت فنڈ کی سلک میں شمولیت کو 30 جون 2018ء کی سطح 25% سے بڑھا کر 33.1% کر دیا گیا۔ فنڈ کی سرمایہ کاری 12.0% شریعہ کمپلائنسٹ کمرشل پیپر میں جبکہ بقیہ شمولیت کا اکثر حصہ نقد اور شریعہ کمپلائنسٹ ٹرم ڈپازٹ Receipts میں نسبتاً پُرکشش شرحوں پر تھا۔

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 2,350 ملین روپے تھے، جو 30 جون 2018ء کی سطح 2,715 ملین روپے کے مقابلے میں 13.44% کمی ہے۔

31 مارچ 2019ء کو فنڈ کی net اثاثہ جاتی قدر (NAV) فی یونٹ 106.8476 روپے تھی، جو 30 جون 2018ء کی ابتدائی سطح 106.0918 روپے فی یونٹ کے مقابلے میں 0.7558 روپے فی یونٹ کمی ہے۔

مارکیٹ اور معیشت - 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 بیشی 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 سست 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 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 کارکردگی 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 کم نماندہ پالیسی اقدامات سے پُر ہوگا۔

ہم سمجھتے ہیں کہ ایکیوٹی 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

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے الحراء اسلامک انکم 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 خطیر 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 غلاپڑ 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 کمزور زرعی ترقی (کپاس اور گندم بدف تک نہیں پہنچ سکیں گے) کے ساتھ ساتھ خوردہ اور تھوک تجارت میں قابل ذکر کمی (درآمداتی کمپریشن) 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 یہ سطح بجلی اور گیس وغیرہ کی قیمتوں میں کمی بیشی کے ساتھ ساتھ روپے کی قدر میں کمی کے سبب رواثر 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 غنقریب 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 مسترد کرنا پڑا۔ خارجی میدان میں خدشات نے مارکیٹ کے شرکاء کو طویل المیعاد ریٹری 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

	Note	(Un-audited) March 31, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2018
ASSETS			
Balance with banks	4	1,072,300	1,981,855
Investments	5	1,075,882	722,449
Profit receivable		35,027	32,048
Advance Against Subscription of Sukuk		200,000	-
Advances, deposits and prepayments		1,695	1,970
Total assets		2,384,904	2,738,323
Payable to the Management Company		2,868	2,420
Payable to the Central Depository Company of Pakistan Limited - Trustee		278	317
Payable to the Securities and Exchange Commission of Pakistan		1,521	2,081
Accrued expenses and other liabilities	6	30,353	18,853
Total liabilities		35,019	23,671
NET ASSETS		2,349,884	2,714,652
Unit holders' fund (as per statement attached)		2,349,884	2,714,652
Contingencies and commitments	7		
		(Number of units)	
Number of units in issue		21,992,855	25,587,761
		(Rupees)	
NET ASSET VALUE PER UNIT		106.8476	106.0918

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

		Nine Months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
Note		(Rupees in '000)			
INCOME					
		543	6,111	0	644
		(589)	(1,439)	0	(277)
		47,093	31,194	18,835	12,146
		107,252	58,033	41,892	22,826
		6,265	27,865	5,991	10,815
		27,133	2,749	6,836	2,660

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

FOR MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED (MANAGEMENT COMPANY)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

	Nine Months ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	149,845	98,845	59,542	39,778
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	149,845	98,845	59,542	39,778

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine Months ended March 31,					
	2019			2018		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	2,650,584	64,067	2,714,652	1,959,537	21,603	1,981,140
Issue of 54,810,122 units (2018: 52,278,556 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,538,726	-	5,538,726	5,284,086	-	5,284,086
- Element of income	140,278	-	140,278	77,188	-	77,188
Total proceeds on issuance of units	5,679,004	-	5,679,004	5,361,274	-	5,361,274
Redemption of 58,405,028 units (2018: 41,324,716 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(5,902,277)	-	(5,902,277)	(4,176,920)	-	(4,176,920)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(88,948)	(75,421)	(164,369)	(27,065)	(37,771)	(64,836)
Total payments on redemption of units	(5,991,225)	(75,421)	(6,066,646)	(4,203,985)	(37,771)	(4,241,756)
Total comprehensive income for the period	-	149,845	149,845	-	98,845	98,845
Final distributions for the year ended June 30, 2018 (including additional units) at the rate of Rs. 4.9622 per unit (Declared on July 04, 2018)	(84,516)	(42,455)	(126,971)	-	-	-
Net income / (loss) for the period less distribution	(84,516)	107,390	22,874	-	98,845	98,845
Net assets at end of the period	2,253,849	96,036	2,349,884	3,116,826	82,677	3,199,503
Undistributed income brought forward						
- Realised		67,904			9,278	
- Unrealised		(3,837)			12,325	
		64,067			21,603	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		74,423			61,074	
		74,423			61,074	
Cash distribution during the period		(42,455)			-	
Undistributed income carried forward		96,036			82,677	
Undistributed income carried forward						
- Realised		102,000			80,016	
- Unrealised		(5,964)			2,661	
		96,036			82,677	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			106.0918			101.0756
Net assets value per unit at end of the period			106.8476			104.7149

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended March 31,	
	2019	2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	149,845	98,845
Adjustments for non cash and other items:		
Unrealised diminution in value of investments classified as 'at fair value through profit or loss' - net	5,964	1,154
	155,809	99,999
(Increase) in assets		
Investments	(359,396)	(295,942)
Profit receivable	(2,979)	(18,228)
Advance Against Subscription of Pre IPO	(200,000)	-
Advances, deposit and prepayments	275	(156)
	(562,100)	(314,326)
Increase / (decrease) in liabilities		
Payable to the Management Company	448	1,147
Payable to the Central Depository Company of Pakistan Limited - Trustee	(39)	140
Payable to the Securities and Exchange Commission of Pakistan	(560)	759
Payable against redemption of units	-	(51,216)
Accrued expenses and other liabilities	11,500	1,924
	11,348	(47,246)
Net cash used in operating activities	(394,943)	(261,572)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units excluding additional units	5,594,489	5,361,274
Payments on redemption of units	(6,066,646)	(4,241,756)
Distribution made during the period	(42,455)	-
	(514,612)	1,119,518
Net (decrease) / increase in cash and cash equivalents during the period	(909,555)	857,946
Cash and cash equivalents at beginning of the period	1,981,855	971,901
Cash and cash equivalents at end of the period	1,072,300	1,829,847

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alhamra Islamic Income Fund (the Fund) was established under a trust deed executed between MCB Asset Management Company Limited (which merged with and into Arif Habib Investments Limited with effect from June 27, 2011) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee (MCB-Arif Habib Savings and Investments Limited). The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 25, 2011 and was executed on March 7, 2011. According to the Trust Deed, the first accounting period of the Fund commenced from May 1, 2011 i.e. the date on which the trust property was first paid or transferred to the Trustee. The SECP has approved Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/ACMW/MCBAHSIL/MCBIIIF/396/2017 dated January 25, 2017 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alhamra Islamic Income Fund.
- 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 is an open-end collective investment scheme categorised as a "Shariah Compliant (Islamic) Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. It offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The objective of the Fund is to seek to generate superior risk adjusted returns by investing in short, medium and long-term high quality Shariah Compliant fixed income instruments.
- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM2++ dated April 08, 2019 to the Management Company and "AA-(f)" as stability rating dated December 28, 2018 to the Fund.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan 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

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

classified as fair value through profit or loss and other financial assets which are held for collection continue to be 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 ---- (Rupees in '000) ----	(Audited) June 30, 2018
4	BALANCE WITH BANKS		
	- in saving accounts	4.1 1,070,176	1,973,916
	- in current accounts	4.2 2,124	7,939
		1,072,300	1,981,855

4.1 These carry profit at the rates ranging between 6.2% to 10.8% (2018: 2.75% and 7.35%) per annum and include Rs. 0.08 million maintained with MCB Islamic Bank Limited, (a related party) which carries profit at the rate of 5.5% per annum and Rs. 0.754 million maintained with Silk Bank Limited (a related party) which carries profit at the rate of 8.4 % per annum.

4.2 These include Rs.0.96 million (2018: Rs 5.355million) maintained with MCB Bank Limited, a connected person / related party.

		(Un-audited) March 31, 2019 ---- (Rupees in '000) ----	(Audited) June 30, 2018
5.	INVESTMENTS		
	<i>At fair value through profit or loss</i>		
	Sukuk certificates- Unlisted	5.1 589,919	685,308
	Government securities - Government of Pakistan (GoP) Ijara sukuks	5.2 -	37,141
		589,919	722,449
	<i>At amortized cost</i>		
	Term deposit receipt	5.3.1 200,000	-
	Commercial papers	5.3.2 285,964	-
		485,964	-
		1,075,882	722,449

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

5.1 Sukuk certificates - Unlisted

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

Name of investee company	Number of certificates					As at March 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2018	Purchased during the period	Matured during the period	Disposed off during the period	As at March 31, 2019	Carrying value	Market value	Appreciation / (diminution)		
----- (Rupees in '000) ----- % -----										
Fertilizer										
Engro Fertilizers Limited (09-Jul-14 issue)*	23,600	-	-	23,600	-	-	-	-	-	-
Chemical										
Ghani Gases Limited (02-Feb-17 issue)	1,000	-	-	-	1,000	66,607	66,179	(428)	2.82	6.15
Pharmaceutical										
Aspin Pharma (Pvt) Ltd (30-Nov-17 issue)	2,000	-	-	47	1,953	184,276	184,247	(29)	7.84	17.13
Miscellaneous										
International Brands Limited (15-Nov-17 issue)	3,450	-	-	-	3,450	345,000	339,493	(5,507)	14.45	31.55
As at March 31, 2019						595,883	589,919	(5,964)		
As at June 30, 2018						689,176	685,308	(3,868)		

* Face value of the investment is Rs. 5,000

5.2 Government securities - Government of Pakistan (GoP) Ijara sukuks

Name of investee company	Number of certificates					As at March 31, 2019			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2018	Purchased during the period	Matured during the period	Disposed off during the period	As at March 31, 2019	Carrying value	Market value	Appreciation / (diminution)		
----- (Rupees in '000) ----- % -----										
GoP Ijarah Sukuks (18-Dec-15 issue)- 3 years	37,000	-	-	37,000	-	-	-	-	-	-
As at March 31, 2019						-	-	-		
As at June 30, 2018						37,110	37,141	31		

5.3 At amortized cost

5.3.1 Term deposit receipt

Particulars	Profit / mark-up rates	Issue Date	Maturity Date	Face value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
---- (Rupees in '000) ---- % -----						
Bank Islami Pakistan Limited	10.85%	28-Mar-19	29-Apr-19	100,000	4.26	9.29
Bank Islami Pakistan Limited	11.00%	29-Mar-19	29-Apr-19	100,000	4.26	9.29
As at March 31, 2019				200,000		
Total as at June 30, 2018				-		

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

5.3.2 Commercial papers

Particulars	Profit / mark-up rates	Issue date	Maturity date	Face value	Amortised cost	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
				---- (Rupees in '000) ----	----- % -----		
K Electric Limited II	11.75%	1-Mar-19	2-Sep-19	300,000	285,964	12.77	27.88
As at March 31, 2019				300,000	285,964		
Total as at June 30, 2018				-	-		

	Note	(Un-audited) March 31, 2019 (Rupees in '000)	(Audited) 30 June 2018
6. ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	6.1	7,781	4,722
Provision for Federal Excise Duty and related tax on	6.2		
- Management fee		8,639	8,639
- Sales load		3,028	3,028
Sale load Payable-MCB Bank Limited		30	8
Brokerage		3	5
Capital gain tax		342	1,165
Auditors' remuneration		415	437
Printing and related expenditure		55	40
Zakat		-	1
Other		10,060	808
		30,353	18,853

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/lower by Re.0.3538 per unit (June 30, 2018 Re.0.1845 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/lower by Re. 0.3928 per unit (June 30, 2018: Re.0.3376 per unit).

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2019 (June 30, 2018: Nil).

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

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. EARNINGS PER UNIT

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

10. 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:

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

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

For the nine months ended March 31, 2019					
As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at March 31, 2019	As at July 01, 2018
Units					
(Rupees in '000)					

Associated Companies:

MCB-Arif Habib Savings And Investments Limited	-	2,385,975	2,385,975	-	-
Adamjee Life Assurance Co. Ltd -Mazaaf	662,928	-	662,928	-	-
Alhamra Islamic Active Allocation Fund (Plan I)	6,816,335	19,732,381	22,561,720	3,986,996	723,157
Alhamra Islamic Active Allocation Fund (Plan II)	3,965,839	6,921,136	7,361,908	3,525,067	420,743
Adamjee Life Assurance Company Limited - Tameen	47,475	-	47,475	-	-

Mandate Under Discretionary Portfolio Services

1,484,236	2,113,219	-	3,341,116	256,338	157,465
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Key management personnel

40,361	78,859	-	81,666	37,553	4,282
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For the nine months ended March 31, 2018					
As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at March 31, 2018	As at July 01, 2017
Units					
(Rupees in '000)					

Associated Companies:

Adamjee Life Assurance Company Limited (Amanat Fund)	119,318	1,612,570	1,457,042	274,846	12,060
Alhamra Islamic Active Allocation Fund (Plan I)	6,151,984	10,520,747	8,802,340	7,870,391	621,816
Alhamra Islamic Active Allocation Fund (Plan II)	495,648	10,152,558	6,040,441	4,607,765	50,098
Adamjee Life Assurance Company Limited (MAZAAF)	-	360,167	360,167	-	-

Key management personnel

39,626	190,318	-	131,125	98,819	4,005
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Mandate Under Discretionary Portfolio Services

661,137	480,282	-	448,085	693,334	66,825
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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

10.2 Details of transactions with the connected persons / related parties during the period are as follows:

	(Unaudited) March 31, 2019	(Unaudited) March 31, 2018
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of management company	18,186	12,471
Sale tax on management remuneration	2,364	1,621
Allocated expenses including indirect taxes	2,252	2,317
Shariah advisory fee	678	675
Central Depository Company of Pakistan Limited		
Remuneration of the trustee	2,362	2,381
sale tax on trustee remuneration	307	310
CDC settlement charges	6	-
MCB Bank Limited - Parent of the Management Company		
Profit on bank deposits	-	37
Bank charges	41	49
Silk Bank Limited		
Profit on bank deposits	22,018	12,167
Bank charges	28	-
Next Capital Limited		
Sale of security Face Value 4,700,000 (2018: Nil)	4,700	-
Brokerage expense *	13	-

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

	March 31, 2019	June 30, 2018
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
10.3 Amount outstanding as at period end / year end		
MCB - Arif Habib Savings & Investment Limited - Management Company		
Management remuneration payable	2,204	1,788
Sindh sales tax payable on management remuneration	287	232
Front-end load payable	85	68
Sales tax on front end load	11	10
Payable against Shariah advisory fee	78	75
Payable against allocated expenses	203	247
Receivable against sale of units	-	1,495
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	246	281
Sindh Sales tax payable on remuneration of Trustee	32	36
Security deposits	100	100
MCB Bank Limited		
Bank deposit held	957	5,355
Front-end payable	30	8

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

	March 31, 2019	June 30, 2018
	----- (Rupees in '000) -----	
MCB Islamic Bank Limited		
Bank balances	18	16
Profit receivable on bank balances	-	9
Silkbank Limited		
Bank balances	754	814,236
Profit receivable on bank balances	-	9,497

11 EXPENSE RATIO

The expense ratio of the Fund from July 1 2018 to March 31 2019 is 1.15%, (31 March 2018:0.9%) the total expense ratio includes 0.25% (31 March 2018:0.21%) representing government levy and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a "Shariah Compliant (Islamic) Income" scheme.

12 GENERAL

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

12.2 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.

13 DATE OF AUTHORISATION

This condensed interim financial information was 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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