



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY FACRA

HALF YEAR REPORT

DECEMBER
2018
(UNAUDITED)

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

ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Risk Management Committee	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Company Secretary	Mr. Muhammad Asif Mehdi Rizvi	
Chief Financial Officer	Mr. Abdul Basit	
Trustee	MCB Financial Services Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.mcbfsl.com.pk	
Bankers	MCB Bank Limited Dubai Islamic Bank Pakistan Limited Bank Islami Pakistan Limited Bank Al-Habib Limited	
Auditors	Ernst & Young Ford Rhodes Chartered Accountant Progressive Plaza, Beaumont Road, P.O. Box 15541 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centrepoint, 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 HALF YEAR ENDED DECEMBER 31, 2018

Dear Investor,

On behalf of the Board of Directors, we are pleased to present Alhamra Islamic Active Allocation Plan -I and Plan II Half Yearly Report for the period ended December 31, 2018.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

FY19 started off with a positive note as smooth completion of election process resulted in a sigh of relief for the market participants. The new regime inherited many economic challenges particularly on the external front. To cope with the underlying challenges, major policy actions (currency depreciation of 15% along with interest rate hike of 250 bps) were taken to address the imbalances. Furthermore, major success came through diplomatically engaging with the friendly allies. As a result, Pakistan secured BOP support package from Saudi Arabia, UAE and China amounting to USD 14 billion while Saudi Arabia & UAE committed foreign direct investment of USD 20-30 billion.

Average CPI for the first half of current fiscal year clocked in at 6.0%. Nevertheless, it is expected to jack up during the second half, owing to a low base effect and lagged impact of currency adjustments. Furthermore, government is yet to adjust electricity prices as the gap between base tariff and actual cost of generation has widened significantly. We expect CPI to average 8.5% for the 2HFY19 after accounting for electricity adjustments.

Current Account Deficit for the first six months clocked in at ~USD 8 billion which is an improvement of 4.4% from same period last year. CAD was well supported by remittances growth of 10%. However, the improvement in the external position was masked by the higher oil prices and payments for the previous periods reflected in current accounts. The non-oil imports have shown encouraging trend, declining by ~5% over the previous year. Reflecting the elevated oil prices and limited financial flows, reserves declined by ~USD 2.7 bn during the period leading to rupee depreciation of ~13.7%.

The focus of government to stabilize aggregate demand has taken its toll on large scale manufacturing which posted a decline of 0.9% YoY in the first five months of FY19. The decline has been led by reduction in production of oil products followed by slow down in autos, pharmaceuticals, consumer products. LSM growth is reflecting the overall slowdown in economy as envisaged by the steps taken by authorities to control the external imbalances.

The yield curve showed an upward trajectory during the half year as market players continued to expect further monetary tightening. During the first 6 months, State Bank of Pakistan increased the policy rate by 350 bps in line with the expectations of most of the market. Most of PIB auctions during the period under review were rejected by State Bank of Pakistan due to thin volume and participation at higher levels. The 3 year, 5 year and 10 year PIB were accepted in the PIB auction held in December '18 at 12.25%, 12.70% and 13.15% respectively. Two Floater rate PIB auction were conducted during 1HFY19. The first was accepted at a benchmark rate +70 bps. The second was rejected due to higher level of participation. Concerns over external front kept market participants at bay from longer tenor Treasury instruments with persistence towards accumulation in papers having maturity below or equal to 3 months.

Liquidity remained comfortable throughout the period owing to regular OMOs conducted by SBP. During the second quarter, 117.7 billion worth of floater rate GOP Ijara Sukuk matured. No fresh GOP Ijara Sukuk were issued whereas SBP conducted auction of Bai Muajjal in which 72.55 billion was accepted out of total participation of 76.55.

Equity Market Review

CY18 closed itself on a negative note for the consecutive second year, as the benchmark Index KSE100 posted a loss of 8.4%. Half year/Quarterly return amounted to ~9.5%/11.5% respectively. The month of Dec'18 was the worst month of the year as KSE100 retreated by 8.5%, as unexpected monetary tightening by 150 bps during the last month created a negative environment for equities. Even announcement for support of USD 3 billion by UAE could not come to rescue as overall uncertainty continued to linger towards the economy. Foreign selling during the first half continued with foreigners offloading USD ~404 mn worth of equities, most of which was absorbed by Insurance Companies and Individuals who bought USD ~173 and ~USD 152 mn respectively. Volumes and values averaged around 179 mn shares/ PKR 7.68 bn, depicting a considerable decrease of ~6/~7% as compared to first half.

In the first half, most of the major sectors such Refineries, Autos, OMCs, E&Ps & Cements underperformed the market generating negative returns of 29%/27%/20%/18%/16% respectively. Refineries suffered due to lower throughput and closure of plants amid limited off take of Furnace Oil. E&Ps took the brunt of plunge in international oil prices by ~30% as compared. Autos, Cements and OMCs followed the thematic decline due to economic slowdown. On the flip side, only

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Textile Composites remained in the positive territory generating a positive return of 20% due to currency depreciation of ~15% as well as supportive export-oriented policies of the newly-elected government.

FUND PERFORMANCE

Alhamra Islamic Active Allocation Plan -I

The Fund was launched on December 29, 2016. During the period, the fund posted return of 0.52% against the negative return of 13.06% for the benchmark.

The fund was 10.1% invested in Alhamra Islamic Stock Fund and 83.2% invested in Alhamra Islamic Income Fund at the period end.

The Net Assets of the Fund as at December 31, 2018 stood at Rs. 1,356 million. The Net Asset Value (NAV) per unit as at December 31, 2018 was Rs. 93.6579.

Alhamra Islamic Active Allocation Plan -II

The fund was launched on June 16, 2017. During the period, the fund posted a negative return of 2.59% against a negative return of 13.58% for the benchmark.

The fund was 34% invested in Alhamra Islamic Stock Fund and 63.7% invested in Alhamra Islamic Income Fund as at 31st December, 2018.

The Net Assets of the Fund as at December 31, 2018 stood at Rs. 750 million. The Net Asset Value (NAV) per unit as at December 31, 2018 was Rs. 96.7957.

MARKET & ECONOMY - FUTURE OUTLOOK

The government has managed to arrange adequate financial flows for the next half year supported by deferred payment facilities, loans and deposits from friendly nations. However, the external account balance needs to improve further to reach sustainable levels for future funding of deficits. The exports are expected to show an improved trend supported by lagged impacts of currency depreciation, tax refunds to exporters, better energy supplies and energy price parity with regional peers. Imports are expected to slow down in second half of the year as effects of the one-off adjustments and oil prices neutralize along with impact of currency depreciation becomes further visible. Current account deficit for FY19 is expected to be ~USD 13 bn with CAD for next half year to slow down to ~USD 5 bn compared with first half of ~USD 8 bn. Subsequently, we expect normalize PKR/USD adjustment of around 5% in next half given the REER is close to its fundamental value.

The government has announced to approach the IMF for an economic program for balance of payments support. IMF program would lead to better policy management relative to dealing with the structural issues in the economy along with responsible fiscal management. Besides, entrance into IMF program would allow Pakistan to secure financial flows from other multilateral agencies which would allow better external account management.

Inflationary pressures are expected to become more visible in second half of the year 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 will 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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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
February 18, 2019



Nasim Beg
Vice Chairman / Director

ڈائریکٹرز رپورٹ
برائے ششماہی اختتام پذیر 31 دسمبر 2018ء

اظہار تشکر

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

من جانب ڈائریکٹرز،



نسیم بیگ
وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
18 فروری، 2019ء

رسائی ہو سکے۔ برآمدات میں بہتری کا رجحان متوقع ہے جس کی معاونت روپے کی قدر میں کمی، برآمد کاروں کو ٹیکس کی واپسی، توانائی کی بہتر فراہمیوں اور توانائی کی قیمتوں میں علاقائی فریقوں سے مساوات کے سبب اثر سے ہوگی۔ درآمدات میں سال کے نصف آخر میں سبب رومی متوقع ہے کیونکہ یکبارگی کمی پیشیوں اور تیل کی قیمتوں کے اثرات توازن پیدا کریں گے، اور ساتھ ساتھ روپے کی قدر میں کمی کا اثر مزید واضح ہوگا۔ مالی سال 2019ء میں کرنٹ اکاؤنٹ کا متوقع خسارہ 13 بلین ڈالر ہے، اور اگلے نصف سال کے لیے CAD نصف اول کے 8 بلین ڈالر کے مقابلے میں سبب رومی کا شمار ہو کر 5 بلین ڈالر رہ جائے گا۔ بعد ازاں، اگلے نصف سال میں REER کے بنیادی قدر کے قریب ہونے کی صورت میں پاکستانی روپے / امریکی ڈالر میں تقریباً 5% ایڈجسٹمنٹ متوقع ہے۔

حکومت نے اعلان کیا ہے کہ ادائیگیوں کے توازن میں معاونت کے معاشی پروگرام کے لئے آئی ایم ایف سے رجوع کیا جائے گا۔ آئی ایم ایف پروگرام کی بدولت پالیسی کے انتظام میں بہتری ہوگی جس سے معیشت کی ساخت سے متعلق مسائل سے نمٹا جاسکے گا اور ذمہ دارانہ مالیاتی انتظام ممکن ہو سکے گا۔ علاوہ ازیں، آئی ایم ایف پروگرام میں داخل ہونے سے پاکستان کو دیگر کثیر الجہت ایجنسیوں سے مالیات حاصل کرنے میں مدد ملے گی جس کی بدولت خارجی اکاؤنٹ کا بہتر انتظام ممکن ہو سکے گا۔ افراط زر کے دباؤ سال کے نصف آخر میں مزید واضح ہونے کی توقع ہے کیونکہ کرنسی کی قدر میں کمی، گیس کی قیمت میں اضافے اور بجلی کی قیمتوں میں کمی پیشی کے سبب اثرات کا احاطہ کیا جائے گا۔ تاہم مالیاتی تنگی کا اکثر حصہ مکمل کیا جا چکا ہے جس میں آنے والے افراط زر کے دباؤ کی عکاسی ہوتی ہے، اور مزید تنگی 50 bps کی حد میں رہے گی۔

سال کے باقی حصے میں معاشی ترقی متوقع طور پر نسبتاً سبب رومی کا شمار رہے گی کیونکہ کرنسی میں کمی پیشی اور مالیاتی پالیسی میں مزید تنگی صرفی 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 ایکوٹی مارکیٹس نے معاشی حالات کی قبل از وقت حفاظت کی؛ چنانچہ یہ دیکھنا ضروری ہے کہ تمام معاشی ترقیات قیمت شدہ ہیں 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) ان 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۔

ڈائریکٹرز رپورٹ برائے ششماہی اختتام پذیر 31 دسمبر 2018ء

بلین مالیت کے حکومت پاکستان کے فلوئر ریٹ اجارہ سلگ کی مدت مکمل ہوئی۔ حکومت پاکستان کے تازہ اجارہ سلگ کا اجراء نہیں کیا گیا جبکہ اسٹیٹ بینک آف پاکستان نے Bai Muajjal کی نیلامی منعقد کی جس میں 76.55 بلین کی کل شرکت میں سے 72.55 بلین قبول کیے گئے۔

ایکویٹی مارکیٹ کا جائزہ

سال رواں میں بیچ مارک انڈیکس KSE100 نے 8.4% خسارہ پوسٹ کیا، اور یوں متواتر دوسرے سال کا اختتام منفی صورتحال پر ہوا۔ ششماہی اور سہ ماہی منافع بالترتیب 9.5% اور 11.5% تھا۔ دسمبر 2018ء سال کا بدترین مہینہ تھا کیونکہ KSE100 میں 8.5% تنزلی ہوئی کیونکہ ماہ گزشتہ کے دوران 150 bps غیر متوقع مالیاتی تنگی کے باعث ایکویٹیز کے لیے منفی ماحول پیدا ہو گیا تھا۔ حتیٰ کہ متحدہ عرب امارات کی طرف سے 3 بلین ڈالر کے تعاون کے اعلان سے بھی کوئی خاص فائدہ نہیں ہوسکا کیونکہ معیشت میں مجموعی طور پر غیر یقینی صورتحال منڈلاتی رہی۔ نصف اول کے دوران غیر ملکی فروخت جاری رہی؛ غیر ملکیوں نے 404 بلین ڈالر مالیت کی ایکویٹیز فروخت کیں جن میں سے انشورنس کمپنیوں نے 173 بلین ڈالر افراد نے 152 بلین ڈالر مالیت کی ایکویٹیز خریدیں۔ ایکویٹیز کے حجم کا اوسط تقریباً 179 بلین حصص تھا جبکہ ایکویٹیز کی قدر کا اوسط تقریباً 7.68 بلین روپے تھا، جو نصف اول کے مقابلے میں 6 سے 7 فیصد کی اچھی خاصی کمی ہے۔

نصف اول میں اکثر بڑے شعبہ جات مثلاً ریٹائرمنٹ، آنوز، OMCs، E&Ps اور سیمنٹ نے مارکیٹ کے مقابلے میں کمزور کارکردگی کا مظاہرہ کیا اور بالترتیب 29%، 27%، 20%، 18% اور 16% منفی منافع دیا۔ ریٹائرمنٹ مال کی پست سطح اور فرنیس آئل کے محدود offtake کے باعث پلانٹس بند ہو جانے سے متاثر ہوئیں۔ E&Ps تیل کی بین الاقوامی قیمتوں میں 30% کمی سے متاثر ہوئیں، اور آنوز، سیمنٹ اور OMCs کے شعبے بھی اسی ضمن میں معاشی سست روی کے باعث تنزلی کا شکار ہوئے۔ دوسری جانب صرف ٹیکسٹائل Composites مثبت احاطے میں رہے اور 20% مثبت منافع حاصل کیا جس کی وجہ روپے کی قدر میں 15% کمی اور منتخب حکومت کی برآمدات کی معاونت کرنے والی پالیسیاں ہیں۔

فنڈ کی کارکردگی

I- الحمراء اسلامک اکیٹوائلیویشن پلان

فنڈ کا آغاز 29 دسمبر 2016ء کو کیا گیا۔ دوران مدت فنڈ نے 0.52% منافع حاصل کیا، جبکہ بیچ مارک کا 13.06% منفی منافع تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری 10.1% الحمراء اسلامک اسٹاک فنڈ میں اور 83.2% الحمراء اسلامک انکم فنڈ میں تھی۔ 31 دسمبر 2018ء کو فنڈ کے net اثاثہ جات 1,356 بلین روپے تھے، جبکہ net اثاثہ جاتی قدر (NAV) فی یونٹ 93.6579 روپے تھی۔

II- الحمراء اسلامک اکیٹوائلیویشن پلان

فنڈ کا آغاز 16 جون 2017ء کو کیا گیا۔ دوران مدت فنڈ نے 2.59% منفی منافع پوسٹ کیا، جبکہ بیچ مارک کا 13.58% منفی منافع تھا۔ 31 دسمبر 2018ء کو فنڈ کی سرمایہ کاری 34% الحمراء اسلامک اسٹاک فنڈ میں اور 63.7% الحمراء اسلامک انکم فنڈ میں تھی۔ 31 دسمبر 2018ء کو فنڈ کے net اثاثہ جات 750 بلین روپے تھے، جبکہ net اثاثہ جاتی قدر (NAV) فی یونٹ 96.7957 روپے تھی۔

بازار اور معیشت - مستقبل کا منظر

حکومت اگلی ششماہی کے لیے خاطر خواہ مالیاتی فراہمی کا انتظام کر پائی ہے جس کی معاونت دوست ممالک کی طرف سے تاخیر سے ادائیگی کی سہولیات، قرضوں اور deposits سے ہوتی ہے۔ تاہم کارجی اکاؤنٹ کے توازن میں مزید بہتری درکار ہے تاکہ مستقبل میں مالیت کی فراہمی اور خساروں کی قابل بقاء سطحوں تک

ڈائریکٹر رپورٹ برائے ششماہی اختتام پذیر 31 دسمبر 2018ء

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک ایکٹو ایلیکشن پلان - I اینڈ پلان - II کی 31 دسمبر 2018ء کو اختتام پذیر ہونے والی مدت کی ششماہی رپورٹ پیش خدمت ہے۔

بازار اور معیشت کا جائزہ

معیشت اور بازار زر کا جائزہ

مالی سال 2019ء کا آغاز مثبت فضا سے ہوا کیونکہ انتخابی عمل کی بلار کاؤٹ تکمیل کے نتیجے میں مارکیٹ کے فریقوں نے اطمینان کا سانس لیا۔ نئی حکومت کو متعدد معاشی مسائل وراثت میں ملے، خاص طور پر خارجی میدان میں۔ درپیش مشکلات سے نبرد آزما ہوتے ہوئے اہم پالیسی اقدامات کیے گئے (روپے کی قدر میں 15% کی کمی کے ساتھ ساتھ انٹریسٹ کی شرح میں 250 bps اضافہ) تاکہ عدم توازن سے نمٹا جاسکے۔ مزید برآں، اہم ترین کامیابی دوست اتحادیوں سے سفارتی تعلقات قائم کرنے سے حاصل ہوئی۔ نتیجتاً، پاکستان کو سعودی عرب، متحدہ عرب امارات اور چین سے ادائیگیوں کے توازن میں معاونت کے لیے 14 بلین ڈالر کے ہیکل حاصل ہوئے، جبکہ سعودی عرب اور متحدہ عرب امارات نے 20 سے 30 بلین ڈالر کی براہ راست غیر ملکی سرمایہ کاری کا وعدہ کیا۔

موجودہ مالی سال کی پہلی ششماہی کے لیے CPI کا اوسط 6% تھا۔ لیکن دوسری ششماہی میں پیسٹ base effect اور کرنسی میں کمی پیشی کے سبب اثر کے باعث اس اوسط میں اضافہ متوقع ہے۔ مزید برآں، حکومت کی طرف سے بجلی کی قیمتوں میں کمی پیشی ہونا باقی ہے کیونکہ پیداوار کی بنیادی جنگی اور اصل قیمت کے درمیان فاصلے میں اچھا خاصا اضافہ ہو گیا ہے۔ مالی سال 2019ء کی دوسری ششماہی کے لیے CPI کا اوسط بجلی میں کمی پیشی کے اثر کا احاطہ کرنے کے بعد 8.5% متوقع ہے۔

پہلے چھ ماہ میں کرنٹ اکاؤنٹ کا خسارہ 8 بلین ڈالر تھا، جو گزشتہ سال کی مماثل مدت کے مقابلے میں 4.4% بہتری ہے۔ CAD کو ترسیل زر میں 10% اضافے کی بھرپور معاونت حاصل ہوئی۔ تاہم تیل کی بلند قیمتیں اور موجودہ اکاؤنٹس میں سابقہ مدتوں کی ادائیگیوں کی عکاسی خارجی صورتحال میں بہتری کی بھرپور اثر پذیری میں رکاوٹ بنے۔ Non-oil درآمدات میں گزشتہ سال کی نسبت 5% کمی حوصلہ افزا رہا۔ تیل کی بلند قیمتوں اور محدود مالی بھاؤ کی عکاسی کرتے ہوئے دوران مدت ذخائر میں 2.7 بلین ڈالر کمی، اور اس کے نتیجے میں روپے کی قدر میں 13.7% کمی ہوئی۔

مجموعی مانگ کو مستحکم کرنے کی حکومتی توجہ کے نتیجے میں بڑے پیمانے پر ہونے والی مینوفیکچرنگ (LSM) متاثر ہوئی جس میں مالی سال 2019ء کے ابتدائی پانچ ماہ میں 0.9% YoY کمی ہوئی۔ اس کمی کی وجہ تیل کی مصنوعات کی پیداوار میں کمی اور اس کے باعث گاڑیوں، دواسازی اور صارفنی مصنوعات میں سست روی ہے۔ LSM میں ترقی معیشت میں مجموعی سست روی کی عکاسی کر رہی ہے جس کی پیش بینی خارجی عدم توازن پر قابو پانے کے لیے حکام کے اقدامات سے ہوتی ہے۔

دوران ششماہی مالیاتی تنگی میں اضافے کے حوالے سے مارکیٹ کے فریقوں کی توقع برقرار رہی، چنانچہ پیداواری خم بلندی کی طرف مائل ہوا۔ ابتدائی چھ ماہ کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح کو بازار کے زیادہ تر حصے کی توقعات کے مطابق بڑھا کر 350 bps کر دیا۔ زیر جائزہ مدت کے دوران پاکستان انویسٹمنٹ بانڈز (PIB) کی اکثر نیلامیوں کو اسٹیٹ بینک آف پاکستان نے کمزور حجم اور بلند سطح پر شرکت کے باعث مسترد کر دیا۔ تین سالہ، پانچ سالہ اور دس سالہ PIB کو دسمبر 2018ء میں ہونے والی نیلامی میں بالترتیب 12.25%، 12.70% اور 13.15% پر قبول کیا گیا۔ مالی سال 2019ء کی پہلی ششماہی کے دوران Two Floater شرح کے PIB کی نیلامیاں منعقد ہوئیں۔ پہلی کوچنگ مارک شرح 70 bps + پر قبول کیا گیا۔ دوسری کو شرکت کی بلند سطح کے باعث مسترد کر دیا گیا۔ خارجی صورتحال پر خدشات کے باعث طویل تر میعاد کے ٹریڈری انسٹرومنٹس میں بازار کی شرکت متاثر ہوئی اور 3 ماہ یا اس سے کم مدت کے دستاویزات میں بدستور اضافہ ہوا۔

اسٹیٹ بینک آف پاکستان کے باقاعدگی سے منعقدہ OMOs کی بدولت نقدیت پوری مدت کے دوران سہل سطح پر رہی۔ دوسری سرمایہ کے دوران 117.7

TRUSTEE REPORT TO THE UNIT HOLDERS



MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Al-Hamra Islamic Active Allocation Fund, an open-end Scheme established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Management Company and MCB Financial Services Limited as Trustee on November 25, 2016.. The scheme was approved by Securities & Exchange Commission of Pakistan on December 02, 2016.

1. MCB Arif Habib Savings and Investments Limited, the Management Company of Al-Hamra Islamic Active Allocation Fund has, in all material respects, managed Al-Hamra Islamic Active Allocation Fund during the period ended 31st December 2018 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

A handwritten signature in black ink, appearing to read 'Anwar'.

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: February 20, 2019

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of Alhamra Islamic Active Allocation Fund

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of Alhamra Islamic Active Allocation Fund (the Fund) as at 31 December 2018, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



-: 2 :-

Other matter

The condensed interim financial statements for the half year ended 31 December 2017 and the annual financial statements for the year ended 30 June 2018 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 February 2018 and audit report dated 24 September 2018 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 21 February 2019

Karachi

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

		(Un-audited)			(Audited)			
		December 31, 2018			June 30, 2018			
Note		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	
		(Rupees in '000)			(Rupees in '000)			
ASSETS								
	Balances with banks	4	25,055	16,825	41,880	77,940	27,395	105,335
	Investments	5	1,269,592	733,476	2,003,068	1,326,599	767,744	2,094,343
	Profit receivable		547	145	692	420	221	641
	Preliminary expenses and floatation costs		-	-	-	1,240	-	1,240
	Advance, deposits and other receivables	6	65,208	5	65,213	209	-	209
	Total assets		1,360,402	750,451	2,110,853	1,406,408	795,360	2,201,768
LIABILITIES								
	Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		180	80	260	191	105	296
	Payable to MCB Financial Services Limited - Trustee		111	65	176	109	68	177
	Payable to Securities and Exchange Commission of Pakistan (SECP)		674	373	1,047	1,385	687	2,072
	Accrued expenses and other liabilities	7	3,346	432	3,778	822	408	1,230
	Total liabilities		4,311	950	5,261	2,507	1,268	3,775
NET ASSETS			1,356,091	749,501	2,105,592	1,403,901	794,092	2,197,993
Unit holders' fund (as per statement attached)			1,356,091	749,501	2,105,592	1,403,901	794,092	2,197,993
Contingencies and Commitments		8						
			--- (Number of units) ---			--- (Number of units) ---		
NUMBER OF UNITS IN ISSUE			14,479,197	7,743,131		15,067,846	7,974,996	
			----- (Rupees) -----			----- (Rupees) -----		
NET ASSET VALUE PER UNIT			93.6579	96.7957		93.1720	99.5728	

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018			Half year ended December 31, 2017			Quarter ended December 31, 2018			Quarter ended December 31, 2017		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
INCOME												
Gain / (loss) on sale of investments - net	1,284	(16,453)	(15,169)	(48,572)	(6,910)	(55,482)	3,276	(16,453)	(13,177)	(37,557)	2,073	(35,484)
Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	6,451	(2,964)	3,487	(80,490)	6,266	(74,224)	3,644	(3,066)	578	8,887	6,315	15,202
Profit on bank balances	2,896	654	3,550	2,418	1,126	3,544	1,543	280	1,823	1,113	722	1,835
Dividend income	259	151	410	-	-	-	-	-	-	-	-	-
Other income	449	245	694	1,552	101	1,653	353	115	468	506	56	562
Total income / (expenses)	11,339	(18,367)	(7,028)	(125,092)	583	(124,509)	8,816	(19,124)	(10,308)	(27,051)	9,166	(17,885)
EXPENSES												
Remuneration of the Management Company	359	82	441	422	189	611	170	29	199	199	132	331
Sindh sales tax on remuneration of the Management Company	47	11	58	54	25	79	22	4	26	25	18	43
Remuneration of the Trustee	587	353	940	618	289	907	294	174	468	306	189	495
Sindh sales tax on remuneration of the Trustee	76	46	122	80	38	118	38	23	61	39	25	64
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	674	373	1,047	704	289	993	339	184	523	340	200	540
Allocated expenses	801	444	1,245	837	344	1,181	402	219	621	404	238	642
Auditors' remuneration	131	73	204	175	52	227	74	41	115	98	35	133
Amortisation of preliminary expenses and floatation costs	1,240	-	1,240	1,260	-	1,260	610	-	610	630	-	630
Printing charges	16	8	24	(24)	14	(10)	-	1	1	(60)	6	(54)
Settlement and bank charges	4	10	14	6	6	12	3	6	9	-	-	7
Listing fee	9	5	14	13	1	14	5	2	7	6	1	7
Legal and professional charges	70	40	110	82	18	100	35	20	55	33	13	46
Provision against Sindh Workers' Welfare Fund	146	-	146	-	-	-	136	-	-	-	-	-
Total expenses	4,160	1,445	5,605	4,227	1,265	5,492	2,128	703	2,831	2,020	857	2,877
Net income / (loss) for the period before taxation	7,179	(19,812)	(12,633)	(129,319)	(682)	(130,001)	6,688	(19,827)	(13,003)	(29,071)	8,309	(20,762)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the period	7,179	(19,812)	(12,633)	(129,319)	(682)	(130,001)	6,688	(19,827)	(13,003)	(29,071)	8,309	(20,762)
Allocation of net income for the period:												
Net income / (loss) for the period	7,179	(19,812)	(12,633)	(129,319)	(682)	(130,001)	6,688	(19,827)	(13,003)	(29,071)	8,309	(20,762)
Income already paid on units redeemed	(1,000)	-	-	-	-	-	(1,000)	-	-	-	-	-
	6,179	(19,812)	(12,633)	(129,319)	(682)	(130,001)	5,688	(19,827)	(13,003)	(29,071)	8,309	(20,762)
Accounting income available for distribution:												
- Relating to capital gains	6,179	-	6,179	-	-	-	5,688	-	5,688	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-
	6,179	-	6,179	-	-	-	5,688	-	5,688	-	-	-
Earnings / (losses) per unit												

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018				Half year ended December 31, 2017				Quarter ended December 31, 2018				Quarter ended December 31, 2017			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	
Net income / (loss) for the period after taxation	7,179	(19,812)	(12,633)		(129,319)	(682)	(130,001)		6,688	(19,827)	(13,139)		(29,071)	8,309	(20,762)	
Other comprehensive income for the period	-	-	-		-	-	-		-	-	-		-	-	-	
Total comprehensive income / (loss) for the period	7,179	(19,812)	(12,633)		(129,319)	(682)	(130,001)		6,688	(19,827)	(13,139)		(29,071)	8,309	(20,762)	

(Rupees in '000)

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II			Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II		
	Half Year Ended December 31, 2018			Half Year Ended December 31, 2017			Half Year Ended December 31, 2018			Half Year Ended December 31, 2017		
	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total
Net assets at the beginning of the period												
Issuance of units:												
Alhamra Islamic Active Allocation Plan - I												
(2018: 112,376 and 2017: 107,206 units)												
- Capital value (at net assets value per unit at the beginning of the period)	10,470	-	10,470	785,630	-	785,630	1,403,301	-	1,403,301	1,583,983	-	1,583,983
- Element of income	428	-	428	-	-	-	-	-	-	-	-	-
Alhamra Islamic Active Allocation Plan - II												
(2018: 13,683 and 2017: 7,685,269 units)												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	1,362	-	1,362	-	-	-	768,571	-	768,571
- Element of income	-	-	-	(12)	-	(12)	-	-	-	(11,311)	-	(11,311)
Net assets at the end of the period	10,898	-	10,898	1,360	-	1,360	1,403,301	-	1,403,301	1,583,983	-	1,583,983
Redemption of units:												
Alhamra Islamic Active Allocation Plan - I												
(2018: 701,025 and 2017: 542,264 units)												
- Capital value (at net assets value per unit at the beginning of the period)	(65,316)	-	(65,316)	-	-	-	-	-	-	-	-	-
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Net income for the period after taxation'	-	(1,000)	(1,000)	-	-	-	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-	-	-	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	429	-	429	-	-	-	-	-	-	-	-	-
Alhamra Islamic Active Allocation Plan - II												
(2018: 245,549 and 2017: 37,357 units)												
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	(24,401)	-	(24,401)	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	(64,887)	-	(64,887)	(142)	-	(142)	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	7,179	7,179	(24,544)	-	(24,544)	(65,887)	-	(65,887)	52,029	-	52,029
Distribution during the period	-	-	-	-	(1,595)	(1,595)	-	(1,595)	-	-	(682)	(682)
Net income / (loss) for the period less distribution	-	7,179	7,179	-	(21,407)	(21,407)	-	(21,407)	-	(21,407)	(682)	(682)
Net assets at end of the period	1,456,809	(100,718)	1,356,091	762,446	(12,945)	749,501	1,403,301	-	1,403,301	1,646,734	(129,061)	1,517,673
Undistributed (loss) / income brought forward comprising of:												
- Realised	(61,709)	13,697	(48,012)	(19,812)	(1,595)	(21,407)	(61,709)	13,697	(48,012)	(19,812)	(1,595)	(21,407)
- Unrealised	(45,188)	(5,235)	(50,423)	(8,462)	-	(8,462)	(45,188)	(5,235)	(50,423)	(8,462)	-	(8,462)
Accounting income available for distribution:												
- Relating to capital gains	6,179	-	6,179	-	-	-	6,179	-	6,179	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	-	-	-	-	-	-
Distribution during the period	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed (loss) / income carried forward	(100,718)	(19,812)	(120,530)	(12,945)	(1,595)	(14,540)	(100,718)	(19,812)	(120,530)	(12,945)	(1,595)	(14,540)
Undistributed (loss) / income carried forward comprising of:												
- Realised	(107,169)	(9,981)	(117,150)	(9,981)	(9,981)	(19,962)	(107,169)	(9,981)	(117,150)	(9,981)	(9,981)	(127,130)
- Unrealised	(6,451)	(2,964)	(9,415)	(2,964)	(2,964)	(5,451)	(6,451)	(2,964)	(9,415)	(2,964)	(2,964)	(6,451)
- (Rupees) --												
Net assets value per unit at beginning of the period	93.1720	99.5728	96.7448	93.1720	99.5728	96.7448	93.1720	99.5728	96.7448	93.1720	99.5728	96.7448
Net assets value per unit at end of the period	93.6579	96.7957	95.2136	93.6579	96.7957	95.2136	93.6579	96.7957	95.2136	93.6579	96.7957	95.2136

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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

M. Javed Iqbal
Chief Executive Officer

B. J. Javed
Chief Financial Officer

A. J. Javed
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
CASH FLOWS FROM OPERATING ACTIVITIES	Note ----- (Rupees in '000) -----					
Net income / (loss) for the period	7,179	(19,812)	(12,633)	(129,319)	(682)	(130,001)
Adjustments for non cash and other items:						
Amortisation of preliminary expenses and floatation costs	1,240	-	1,240	1,260	-	1,260
Net unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss	(6,451)	2,964	(3,487)	80,490	(6,266)	74,224
	(5,211)	2,964	(2,247)	81,750	(6,266)	75,484
(Increase) / decrease in assets						
Investments	63,458	31,304	94,762	73,571	(708,590)	(635,019)
Profit receivable	(127)	76	(51)	2,610	25	2,635
Advance, deposits and other receivables	(64,999)	(5)	(65,004)	(13)	(11)	(24)
	(1,668)	31,375	29,707	76,168	(708,576)	(632,408)
Decrease / (increase) in liabilities						
Payable to MCB Arif Habib Savings and Investments - Management Company	(11)	(25)	(36)	(5,565)	45	(5,520)
Payable to MCB Financial Services Limited - Trustee	2	(3)	(1)	2	61	63
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(711)	(314)	(1,025)	(19)	286	267
Accrued expenses and other liabilities	2,524	24	2,548	(12,748)	(40)	(12,788)
	1,804	(318)	1,486	(18,330)	352	(17,978)
Net cash generated from / (used in) operating activities	2,104	14,209	16,313	10,269	(715,172)	(704,903)
CASH FLOWS FROM FINANCING ACTIVITIES						
Amount received on issuance of units	10,898	1,360	12,258	10,722	757,260	767,982
Amount paid on redemption of units	(65,887)	(24,544)	(90,431)	(52,029)	(3,668)	(55,697)
Cash distribution	-	(1,595)	(1,595)	-	-	-
Net cash (used in) / generated from financing activities	(54,989)	(24,779)	(79,768)	(41,307)	753,592	712,285
Net (decrease) / increase in cash and cash equivalents during the period	(52,885)	(10,570)	(63,455)	(31,038)	38,420	7,382
Cash and cash equivalents at the beginning of the period	77,940	27,395	105,335	104,568	12,996	117,564
Cash and cash equivalents at the end of the period	25,055	16,825	41,880	73,530	51,416	124,946

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

Considering the above maturity of plans within next twelve months from December 31, 2018, the assets and liabilities reported in these interim financial statements are stated at their realizable values.

- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated October 08, 2018 to the Management Company.
- 1.6** The title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

- 2.1** These interim financial statements of the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards 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;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, 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.

- 2.2** The disclosures made in these 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 published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3** These interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

the quarters ended December 31, 2018 and December 31, 2017 as reported in these interim financial statements have not been subject to limited scope review by the external auditors.

- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.
- 2.5** These interim financial statements are presented in Pak Rupee, which is the functional and presentation currency of the Fund.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of these 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 as described in notes 3.1 and 3.2 below:

3.1 IFRS 9 Financial Instruments

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 prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Fund's business model was made as at the date of initial application i.e. July 01, 2018.

As a result of the above assessment, the management has concluded that all the investment in open-end mutual funds continue to be classified at 'Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes.

Furthermore, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for bank balances and other financial assets and concluded that the impact is not material to the interim financial statements.

3.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Improvements to Accounting Standards Issued by the IASB in December 2016

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

IFRS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the interim financial statements, other than IFRS 9, the impact of which has been disclosed in note 3.1 above.

- 3.3** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2018.

		(Un-Audited)		
		December 31, 2018		
		Alhamra Islamic Active Allocation	Alhamra Islamic Active Allocation	
		Plan - I	Plan - II	Total
Note		-----	(Rupees in '000)	-----
4. BALANCES WITH BANKS				
In current accounts	4.1	380	60	440
In saving accounts	4.2	24,675	16,765	41,440
		25,055	16,825	41,880

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

4.1 Current accounts are maintained with MCB Bank Limited, a related party.

4.2 These carry profit at the rate of 10.00% (June 30, 2018: 6.50%) per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

(Un-Audited)

December 31, 2018

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

Note

5. INVESTMENTS

At fair value through profit or loss

- Units of open-end mutual funds	5.1	1,269,592	733,476	2,003,068
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(Audited)

June 30, 2018

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

- Units of open-end mutual funds	1,326,599	767,744	2,094,343
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5.1 Units of open-end mutual funds

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

Alhamra Islamic Active Allocation Plan - I

Alhamra Islamic Stock Fund	55,988,653	143,984,622	185,614,301	14,358,974	140,003	137,415	(2,587)	10.13%	10.82%
Alhamra Islamic Income Fund	6,816,335	18,959,539	14,946,281	10,829,593	1,123,138	1,132,177	9,038	83.49%	89.18%

Total as at December 31, 2018	1,263,141	1,269,592	6,451
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Total as at June 30, 2018	1,371,787	1,326,599	(45,188)
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Alhamra Islamic Active Allocation Plan - II

Alhamra Islamic Stock Fund	32,195,678	55,082,171	60,622,135	26,655,714	263,998	255,095	(8,903)	34.04%	34.78%
Alhamra Islamic Income Fund	3,965,839	6,134,069	5,524,061	4,575,847	472,442	478,380	5,939	63.83%	65.22%

Total as at December 31, 2018	736,440	733,476	(2,964)
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Total as at June 30, 2018	772,979	767,744	(5,235)
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**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

6. ADVANCE, DEPOSITS AND OTHER RECEIVABLES

Receivable against redemption of units

of open-end mutual funds

Advance tax deducted at source

Prepayment

Other receivables

(Un-Audited)		
December 31, 2018		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		
65,000	-	65,000
60	-	60
9	5	14
139	-	139
65,208	5	65,213

(Audited)

June 30, 2018

Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		
60	-	60
149	-	149
209	-	209

Advance tax deducted at source

Other receivables

(Un-Audited)

December 31, 2018

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

Note

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration

Provision for Sindh Workers' Welfare Fund (SWWF) 7.1

Payable to legal advisor

Payable against redemption of units

Others

97	54	151
410	176	586
92	46	138
2,347	-	2,347
400	156	556
3,346	432	3,778

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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

- 7.1** There is no change in the status of the SWWF as reported in note 10.1 to the annual financial statements of the Fund for the year ended June 30, 2018.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018.

9. REMUNERATION OF THE MANAGEMENT COMPANY

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

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

10. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. In case of Alhamra Islamic Active Allocation Plan - I, the management intends to distribute the income earned by the Fund during the period to the unit holders in the manner as explained above and in case of Alhamra Islamic Active Allocation Plan - II, it has incurred a loss and no distribution is required. Accordingly, no provision for taxation has been made in these interim financial statements.

11. EARNINGS / (LOSSES) PER UNIT

Earnings / (losses) per unit (EPU) 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.

12. 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, key management personnel and other associated undertakings and connected

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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.

Remuneration payable to the Management Company is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

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

12.1 Unit Holders' Fund

For the half year ended December 31, 2018 (Un-audited)								
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2018
	----- (Number of units) -----				----- (Rupees in '000) -----			
Alhamra Islamic Active Allocation Plan - I								
Group / associated companies								
MCB Employees' Pension Fund	586,520	-	-	586,520	54,647	-	-	54,932
Alhamra Islamic Income Fund	6,816,335	18,959,538	14,946,280	10,829,593	723,157	1,927,699	1,543,000	1,014,277
Alhamra Islamic Stock Fund	55,988,654	143,984,623	185,614,301	14,358,975	603,558	1,478,000	1,927,440	1,344,831
Alhamra Islamic Active Allocation Plan - II								
Group / associated companies								
MCB Employees' Pension Fund *	751,350	-	-	751,350	74,814	-	-	72,727
Alhamra Islamic Income Fund	3,965,838	6,134,070	5,524,062	4,575,847	420,743	616,452	572,000	442,922
Alhamra Islamic Stock Fund	32,195,678	55,082,172	60,622,136	26,655,714	347,069	557,000	616,301	2,580,158
Mandate Under discretionary portfolio	52,821	90	-	52,911	5,260	9	-	5,122
Unit holders holding 10% or more units	1,001,305	1,763	-	1,003,068	99,703	175	-	97,093
For the half year ended December 31, 2017 (Un-audited)								
	----- (Number of units) -----				----- (Rupees in '000) -----			
Alhamra Islamic Active Allocation Plan - I								
Group / associated companies								
MCB Employees Pension Fund	586,520	-	-	586,520	58,662	-	-	53,822
Alhamra Islamic Income Fund	6,151,984	6,279,296	5,672,021	6,759,259	621,815	640,000	575,000	698,810
Alhamra Islamic Stock Fund	71,103,335	47,034,607	57,169,837	60,968,105	871,016	550,000	640,000	640,165
Directors and key management personnel of the Management Company	4,007	-	-	4,007	401	-	-	401
Alhamra Islamic Active Allocation Plan - II								
Group / associated companies								
MCB Employees Pension Fund	751,350	-	-	751,350	75,139	-	-	68,947
Alhamra Islamic Income Fund	495,648	9,004,821	4,466,868	5,033,601	50,098	915,500	456,000	520,401
Alhamra Islamic Stock Fund	2,029,221	42,213,190	18,570,102	25,672,309	24,858	456,000	200,000	269,559

* The unit holder also holds 10% or more of the units in the Plan.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

12.2 Transactions during the period:

	(Un-Audited)		
	For half year ended December 31, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	(Rupees in '000)		
MCB-Arif Habib Savings and Investments Limited - Management Company			
Remuneration of the Management Company (including indirect taxes)	359	82	441
Sindh sales tax on remuneration of the Management Company	47	11	58
Allocated expense (including indirect taxes)	801	444	1,245
MCB Financial Services Limited - Trustee			
Remuneration of the Trustee (including indirect taxes)	587	353	940
Sindh sales tax on remuneration of Trustee	76	46	122

	(Un-Audited)		
	For half year ended December 31, 2017		
	(Rupees in '000)		
MCB-Arif Habib Savings and Investments Limited - Management Company			
Remuneration of the Management Company (including indirect taxes)	170	29	199
Sindh sales tax on remuneration of the Management Company	22	4	26
Allocated expense (including indirect taxes)	402	219	621
MCB Financial Services Limited - Trustee			
Remuneration of the Trustee (including indirect taxes)	294	174	468
Sindh sales tax on remuneration of Trustee	38	23	61

12.3 Balances outstanding at period end:

	(Un-Audited)		
	December 31, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	(Rupees in '000)		
MCB-Arif Habib Savings and Investments Limited - Management Company			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	54	14	68
Sindh sales tax payable on Management Company remuneration	7	2	9
Payable against allocated expenses	119	64	183
MCB Financial Services Limited - Trustee			
Payable to MCB Financial Services Limited - Trustee	100	57	157
Sindh sales tax payable on Trustee remuneration	11	8	19
MCB Bank Limited - Group / associated company			
Balances with bank - current account	380	60	440

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1:	quoted prices in active markets for identical assets or liabilities;
Level 2:	those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3:	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2018 and June 30, 2018, the Fund held the following instruments measured at fair values:

		December 31, 2018 (Un-Audited)			
		Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)			
Alhamra Islamic Active Allocation Plan - I					
At fair value through profit or loss	13.1	-	1,269,592	-	1,269,592
Alhamra Islamic Active Allocation Plan - II					
At fair value through profit or loss	13.1	-	733,476	-	733,476
		-	2,003,068	-	2,003,068

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

June 30, 2018 (Audited)

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

Alhamra Islamic Active Allocation Plan - I

At fair value through profit or loss	-	1,326,599	-	1,326,599
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Alhamra Islamic Active Allocation Plan - II

At fair value through profit or loss	-	767,744	-	767,744
	-	2,094,343	-	2,094,343

- 13.1** Fair values of investment in mutual funds is valued on the basis of closing net asset value as announced by the respective Asset Management Company.

During the period ended December 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

14. TOTAL EXPENSE RATIO

Total Expense Ratio of the Alhamra Islamic Active Allocation Plan I and Alhamra Islamic Active Allocation Plan II is 0.3% and 0.19% respectively as on December 31, 2018 (December 31, 2017: 0.29% and 0.21% respectively) and these include 0.08% and 0.07% (December 31, 2017: 0.08% and 0.07% respectively) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee respectively. The ratio of each plan is within the maximum limit of 2.5% as prescribed under the NBFC Regulations 60 (5) for a collective investment scheme categorised as a Fund of Fund scheme.

15. GENERAL

- 15.1** Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

- 15.2** Certain prior year's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report other than as disclosed in note 3.1.

16. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue by the Board of Directors of the Management Company in the meeting held on February 18, 2019.

**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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