



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2021
(UNAUDITED)

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 Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
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	MCB Bank Limited Bank Islami Pakistan Limited Habib Bank Limited United Bank Limited Dubai Islamic Bank Pakistan Limited Meezan Bank Limited Askari Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Silk Bank Limited National Bank of Pakistan Habib Metropolitan Bank Limited Faysal Bank Limited MCB Islamic Bank Limited Soneri Bank Limited	
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
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 Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Income Fund** accounts review for the nine months ended March 31, 2021.

Economy and Money Market Review

The first nine months of fiscal year 2021 have been relatively stronger as economic activities resumed to a large extent though challenges from Covid continue to pose risks in the near term. The economic recovery has been better than expectations as stable interest rates and supportive financing schemes from SBP, amnesty to encourage construction sector, resumption in demand and continued strong inflow of remittances have supported economic growth. We therefore expect economic growth to be higher than estimates shared by multilateral agencies. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would also be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of about 18% over last year in the first nine months of FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of near 17% over last year in the first eight months of FY21 reflecting on the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 9.5% and 17% respectively over last year during the first nine months indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 7.9% in first seven months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 881 million in the first eight months of fiscal year compared to a deficit of USD 2,741 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances which grew at a stupendous rate of about 24% during the first eight months of this fiscal year. Foreign exchange reserves of central bank saw an increase of about USD 2.2 billion during the first eight months due to improved balance of payment position. Subsequently, the PKR/USD appreciated by about 9% during the period.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.4% over last year during the first nine months, with food inflation averaging about 13% during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.1% for the period. Monetary Policy Committee maintained status quo throughout the year after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19 as well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 10% during the first nine months of the fiscal year which exceeded the target by PKR 100 bn. Fiscal deficit for the first seven months of the period clocked in at 2.9% of GDP, compared to 3.2% of GDP last year. Primary balance was even better at a surplus of 0.9% of GDP compared to last year surplus of 0.3% of GDP.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3, 5 and 10 Year bonds saw a rise of 182 bps, 175 bps and 173 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 6.39% as against its benchmark return of 3.71%.

The fund was 9.8% invested in Corporate Sukuks while significant exposure was in Cash.

The Net Assets of the Fund as at March 31, 2021 stood at Rs. 6,458 million as compared to Rs. 4,442 million as at June 30, 2020 registering an increase of 45.38%.

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs. 106.7309 as compared to opening NAV of Rs. 101.8452 per unit as at June 30, 2020 registering an increase of Rs. 4.8857 per unit.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

Economy & Market – Future Outlook

GDP growth for FY21 is now projected at around 3% by central bank. We expect GDP growth to be better than general consensus of government and institutions as industrial growth has revived much earlier than our anticipation. Generally, economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc.

Balance of Payment worries are at bay for the near term with current account deficit expected to be about USD 1.1 bn for this fiscal year. We expect Current Account Deficit to settle near 0.4% of GDP in FY21 which could be easily financed from foreign investments and debt flows. However, the recent surge in commodity prices and growth momentum would require better financial management to fund the current account deficit over next year. Any reversal in trend of remittances would also be a concern for Balance of Payment management next year. With Real Effective Rate for Feb-2021 at 97.1 any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of the IMF program is a good omen which would allow better financial flows from various institutions allowing better financial management. We expect foreign exchange reserves to further increase by about USD 2.7 bn from current levels by year end.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 9.1%. Central bank for the first time has provided guidance on interest rates in the short term which will perhaps bring more certainty in investor expectations. The central authority vowed to keep the existing accommodative monetary policy stance to support recovery while keeping inflation expectations well anchored. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 28.6% to PKR 954 billion at the end of the first nine months of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 33% during the period to PKR 418 billion. Within the money market sphere, the conventional funds dominated as they grew by about 31% to PKR 271 billion. Equity and related funds surged rapidly by 27% from PKR 224 billion to PKR 284 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up ~29% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 26% as at the end of the calendar year.

Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

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 16, 2021



Nasim Beg
Director/Vice Chairman

ڈائریکٹرز رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے ابتدائی نو ماہ کے اختتام پر تقریباً 28.6 فیصد بڑھ کر 954 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 33 فیصد بڑھ کر 418 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 31 فیصد بڑھ کر 271 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 27 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 284 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 29 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 26 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہمیں اُمید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



نسیم بیگ

ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

16 اپریل 2021

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 6.39 فیصد تھا جبکہ اس کے بالمقابل مقررہ معیار 3.71 فیصد تھا۔
فنڈ کی 9.8 فیصد سرمایہ کاری کارپوریٹ سٹاک میں تھی جبکہ قابل ذکر شمولیت نقد میں تھی۔

31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 6,458 ملین روپے تھے جبکہ 30 جون 2020ء کو 4,442 ملین روپے تھے (یعنی net اثاثہ جات میں 45.38 فیصد کا اضافہ ہوا۔)

31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 106.7309 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی، جو کہ 101.8452 روپے فی یونٹ تھی، کے مقابلے میں 4.8857 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

مرکزی بینک کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد ترقی متوقع ہے۔ ہمیں اُمید ہے کہ جی ڈی پی کی ترقی حکومت اور اداروں کے عمومی اتفاق رائے سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری توقعات سے کافی قبل بحال ہوگئی ہے۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں کے قریب سرگرم عمل ہے جس کا اندازہ ایل ایس ایم کی ترقی اور سیمنٹ اور آٹو موٹائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔

ادائیگیوں کے توازن کی پریشانیوں قریب المیاد میں ختم ہوگئی ہیں کیونکہ موجودہ مالی سال کے لیے کرنٹ اکاؤنٹ کا متوقع خسارہ تقریباً 1.1 بلین ڈالر ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 0.4 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسانی غیر ملکی سرمایہ کاریوں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم اشیاء کی قیمتوں اور ترقی کی رفتار میں حالیہ اضافے کے باعث اگلے سال کے دوران کرنٹ اکاؤنٹ خسارے کے لیے مالیات کی فراہمی کے لیے بہتر مالیاتی انتظام درکار ہے۔ ترسیلات زر کے رجحان میں ذرا بھی واپسی کے باعث اگلے سال ادائیگی کے توازن کے انتظام میں رکاوٹ حائل ہو سکتی ہے۔

فروری 2021ء کارینل افسیکٹو ریٹ 97.1 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام کا جاری رہنا اچھا شگون ہے جس کی بدولت متعدد اداروں سے بہتر مالیاتی آمدات ممکن ہوگی اور اس کے نتیجے میں بہتر مالیاتی انتظام ممکن ہوگا۔ غیر ملکی زرمبادلہ کے ذخائر میں اختتام مدت تک موجودہ سطحوں کے مقابلے میں تقریباً 2.7 بلین ڈالر کا مزید اضافہ متوقع ہے۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیاء خورد و نوش کی قیمتیں آسمان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تاکہ وصولی کے لیے معاونت فراہم ہو، جبکہ افراط زر کی توقعات کو قابو میں رکھا۔ مرکزی بینک کی راہنمائی کے پیش نظر اب ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری ختم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اُٹھایا جاسکے۔

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک انکم فنڈ (سابقہ: ایم سی بی اسلامک انکم فنڈ) کے اکاؤنٹس کا جائزہ برائے نو ماہ مختتمہ 31 مارچ 2021ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیہ میں کووڈ کے باعث پیدا ہونے والی مشکلات کے باعث خطرات ابھی بھی لاحق ہیں۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ سود کی مستحکم شرحوں اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیموں، تعمیرات کے شعبے کی حوصلہ افزائی کے لیے رعایات، مانگ میں بحالی، اور ترسیلات زر کی مسلسل آمد سے معاشی ترقی کو سہارا ملا ہے۔ چنانچہ ہمیں اُمید ہے کہ معاشی ترقی کثیر الجہتی ایجنسیوں کے پیش کردہ تخمینوں سے بلند تر ہوگی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی نو ماہ میں سال گزشتہ سے 18 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے پمپس کی فروخت میں بھی مزید متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی آٹھ ماہ میں سال گزشتہ سے تقریباً 17 فیصد زیادہ تھی جس سے معیشت کی چلک کی عکاسی ہوتی ہے۔ اسی طرح ابتدائی نو ماہ کے دوران پٹرول اور ڈیزل کی طلب میں بھی سال گزشتہ کے مقابلے میں بالترتیب تقریباً 9.5 فیصد اور 17 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں موجودہ مالی سال کے ابتدائی سات ماہ میں 7.9 فیصد ترقی ہوئی ہے جس میں گردش شعبے سب سے آگے رہے ہیں۔

مالی سال کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ میں 881 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,741 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں اضافہ تھا جن میں مالی سال کے ابتدائی آٹھ ماہ کے دوران 24 فیصد کی زبردست شرح سے ترقی ہوئی۔ مرکزی بینک کے زرمبادلہ کے ذخائر میں ابتدائی آٹھ ماہ کے دوران تقریباً 2.2 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔ بعد ازاں، پاکستانی روپے / امریکی ڈالر میں دورانِ مدت تقریباً 9 فیصد ترقی ہوئی۔

افراط زر حکومت کی دھکتی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط ابتدائی نو ماہ کے دوران 8.4 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دورانِ مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.1 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کووڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے ابتدائی نو ماہ کے دوران 10 فیصد اضافہ ہوا جو ہدف سے 100 بلین روپے زیادہ تھا۔ ابتدائی سات ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 2.9 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 3.2 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.9 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

مہنگائی کے بعد سرمایہ کاروں کو مابوس کرنے کے بعد پیداوار کی قیمت میں اضافی ہونا شروع ہوا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے میٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا نچلی سطح میں آنا متوقع تھا۔ دورانِ مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 182، 175 اور 173 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	4,404,238	1,760,297
Investments	5	2,603,952	2,776,273
Profit receivable		65,307	53,171
Advances, deposits, prepayments and other receivables		12,355	7,572
Total assets		7,085,852	4,597,313
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	4,210	4,458
Payable to Central Depository Company of Pakistan Limited - Trustee		469	304
Payable to Securities and Exchange Commission of Pakistan		994	660
Dividend payable		-	1
Payable against purchase of investments		585,845	117,690
Accrued expenses and other liabilities	7	36,745	32,000
Total liabilities		628,263	155,113
NET ASSETS		6,457,589	4,442,200
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,457,589	4,442,200
CONTINGENCIES AND COMMITMENTS			
	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		60,503,443	43,617,191
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		106.7309	101.8452

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

	Nine Months ended		Quarter ended		
	March 31,		March 31,		
	2021	2020	2021	2020	
Note	(Rupees in '000)				
INCOME					
Income from government securities	55,228	-	34,409	-	
Capital (loss) / gain on sale of investments - net	(12,893)	-	(9,104)	-	
Income from sukuk certificates	111,499	81,757	70,688	29,716	
Profit on deposits with bank	152,285	207,496	109,945	80,849	
Income on musharka certificate	19,480	1,530	19,480	0	
Income on commercial paper	14,822	13,532	4,477	7,790	
Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' - net	15,339	(3,636)	5,154	(534)	
Other income	22	-	22	-	
Total income	355,780	300,680	235,070	117,822	
EXPENSES					
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	6.1	16,792	20,794	11,010	7,138
Sindh Sales Tax on remuneration of Management Company		2,183	2,703	1,431	928
Allocated expenses	6.3	4,970	2,239	3,415	889
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,728	1,679	2,554	666
Sindh Sales Tax on remuneration of the Trustee		484	219	332	87
Annual fees of Securities and Exchange Commission of Pakistan		994	447	682	177
Auditors' remuneration		456	495	303	151
Security and transaction cost		520	-	305	-
Marketing and selling expenses	6.4	8,125	2,871	5,005	504
Settlement and bank charges		459	326	420	117
Fees and subscriptions		223	204	114	7
Legal and professional charges		580	46	546	(46)
Shariah advisory fee		558	676	353	222
Printing and related costs		31	44	30	28
Total expenses		40,102	32,744	26,500	10,869
Net income from operating activities		315,678	267,936	208,570	106,953
Provision against Sindh Workers' Welfare Fund	7.1	6,314	5,359	4,171	2,139
Net income for the period before taxation		309,364	262,577	204,399	104,814
Taxation	9.	-	-	-	-
Net income for the period after taxation		309,364	262,577	204,399	104,814
Allocation of net income for the period:					
Net income for the year after taxation		309,364	262,577		
Income already paid on units redeemed		(144,851)	(83,524)		
		164,513	179,053		
Accounting income available for distribution					
Relating to capital gains		877	-		
Excluding capital gains		163,636	179,053		
		164,513	179,053		
Earnings per unit					

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021**

	Nine Months ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	309,364	262,577	204,399	104,814
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	309,364	262,577	204,399	104,814

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months ended March 31,					
	2021			2020		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	4,412,266	29,934	4,442,200	2,313,058	21,712	2,334,770
Issue of 137,848,793 units (2020: 68,997,984 units):						
- Capital value (at net asset value per unit at the beginning of the period)	14,039,238	-	14,039,238	6,984,121	-	6,984,121
- Element of income	213,988	-	213,988	334,145	-	334,145
	14,253,226	-	14,253,226	7,318,266	-	7,318,266
Redemption of 120,962,542 units (2020: 58,429,389 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(12,319,454)	-	(12,319,454)	(5,914,346)	-	(5,914,346)
- Element of income	(82,897)	(144,851)	(227,748)	(200,594)	(83,524)	(284,118)
	(12,402,351)	(144,851)	(12,547,202)	(6,114,940)	(83,524)	(6,198,464)
Total comprehensive income for the period	-	309,364	309,364	-	262,577	262,577
Net assets as at the end of the period	6,263,141	194,447	6,457,589	3,516,384	200,765	3,717,149
Undistributed income brought forward						
- Realised		27,041			29,545	
- Unrealised		2,893			(7,833)	
		29,934			21,712	
Accounting income available for distribution						
- Relating to capital gains		877			-	
- Excluding capital gains		163,636			179,053	
		164,513			179,053	
Undistributed income carried forward		194,447			200,765.30	
Undistributed income carried forward						
- Realised		179,108			204,401	
- Unrealised		15,339			(3,636)	
		194,447			200,765	
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the period		101.8452			101.2221	
Net assets value per unit as at end of the period		106.7309			110.5163	

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months period ended	
	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	309,364	262,577
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution in value of investments classified as 'at fair value through profit or loss' - net	(15,339)	3,636
	294,025	266,213
Decrease / (Increase) in assets		
Investments	187,660	261,374
Profit receivable	(12,136)	984
Advance Against Subscription of Pre IPO		(355,000)
Advances, deposits and prepayments	(4,783)	(1,797)
	170,741	(94,439)
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(248)	1,538
Payable to Central Depository Company of Pakistan Limited - Trustee	165	28
Payable to Securities and Exchange Commission of Pakistan	334	(1,487)
Dividend payable	(1)	(19,676)
Payable against purchase of investments	468,155	-
Accrued expenses and other liabilities	4,745	5,899
	473,150	(13,698)
Net cash generated from / (used in) operating activities	937,916	158,076
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	14,253,226	7,318,266
Payments on redemption of units	(12,547,202)	(6,198,464)
Net cash generated from / (used in) financing activities	1,706,025	1,119,802
Net increase in cash and cash equivalents during the period	2,643,941	1,277,878
Cash and cash equivalents at beginning of the period	1,760,297	1,119,459
Cash and cash equivalents at end of the period	4,404,238	2,397,337

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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 as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company has been changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. 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/AMCW/MCBAHSIL/MCBIF/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 2nd Floor, Adamjee House, I.I. Chundrigar Road, 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. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered 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 Shariah Compliant fixed income instruments.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained management quality rating of AM1 dated October 06, 2020 to the Management Company and AA-(f) as stability rating dated March 09, 2021 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 During the current period, the Trust Act, 1882 has been repealed and provincial trust acts have been issued in consequence to the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements 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 the 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 the 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 2020. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, 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 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

2.1.3 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.

2.1.4 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.

2.1.5 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, 2020.

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 recognised 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, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2020.

		(Un-audited) March 31, 2021 ---- (Rupees in '000) ----	(Audited) June 30, 2020
4 BANK BALANCES	Note		
Savings accounts	4.1	4,394,439	1,733,081
Current accounts	4.2	9,799	27,216
		<u>4,404,238</u>	<u>1,760,297</u>

4.1 These carry profit at the rates ranging between 6.50% to 7% (June 30, 2020: 6.75% to 7.5%) per annum and include Rs. 1.788 million (June 30, 2020: Rs. 0.052 million) maintained with MCB Islamic Bank Limited (a related party).

4.2 These include Rs. 8.94 million (June 30, 2020: Rs. 25.958 million) maintained with MCB Bank Limited, a related party / connected person.

		(Un-audited) March 31, 2021 ---- (Rupees in '000) ----	(Audited) June 30, 2020
5. INVESTMENTS	Note		

Financial assets at fair value through profit or loss

Sukuk certificates- Unlisted	5.1	1,607,545	1,947,756
Government of Pakistan (GoP) Ijara sukuks	5.2	574,726	305,702
Musharka certificates	5.3	375,000	-
Commercial paper	5.4	46,681	522,815
		<u>2,603,952</u>	<u>2,776,273</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

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				(Rupees in '000)				%	
	As at July 01, 2020	Purchased during the period	Matured during the period	Disposed off during the period	As at March 31, 2021	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investment
Chemical										
Ghani Chemical Industries (Formerly: Ghani Gases Limited)	1,000	-	-	-	1,000	42,218	42,956	739	0.67	1.65
Pharmaceutical										
Aspin Pharma (Private) Limited	1,853	-	-	-	1,853	102,934	101,676	(1,259)	1.57	3.90
Power										
The Hub Power Company Limited	1,750	-	1,750	-	-	-	-	-	-	-
Pak Energy Sukuk *	200,000	20,000	-	38,900	181,100	906,618	912,744	6,126	14.13	35.05
Miscellaneous										
International Brands Limited	3,450	-	-	-	3,450	180,304	181,857	1,554	2.82	6.98
Bank										
Meezan Bank Limited	355	-	-	-	355	360,007	368,313	8,306	5.70	14.14
As at March 31, 2021						1,592,081	1,607,545	15,465		
As at June 30, 2020						1,945,565	1,947,756	2,191		

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

5.2 Government of Pakistan (GoP) Ijara sukuk

Name of investee company	Face Value					As at March 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2020	Purchased during the period	Matured / Sold during the period	Disposed off during the period	As at March 31, 2021	Carrying value	Market value	Appreciation / (diminution)		
(Rupees in '000)										
GoP Ijarah Sukuks - 5 years										
GoP Ijarah Sukuks (May 29, 2020 - May 29, 2025)	-	110,000	-	-	110,000	110,330	110,297	(33)	1.71	4.24
GoP Ijarah Sukuks (June 24, 2020 - June 24, 2025)	305,000	95,000	-	-	400,000	401,320	401,240	(80)	6.21	15.41
GoP Ijarah Sukuks (July 28, 2020 - July 28, 2025)	-	587,500	-	587,500	-	-	-	-	-	-
GoP Ijarah Sukuks (July 29, 2020 - July 29, 2025)	-	1,187,500	-	1,124,500	63,000	63,202	63,189	(13)	0.98	2.43
As at March 31, 2021						574,852	574,726	(126)		
As at June 30, 2020						305,000	305,702	702		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

5.3 Musharka certificates

Particulars	Profit rate	Issue Date	Maturity Date	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
Bank Islami Pakistan Limited	7.00%	December 30, 2020	March 30, 2021	-	-	-	-
MCB Islamic Bank Limited	6.80%	February 04, 2021	April 05, 2021	125,000	125,000	1.94	4.80
MCB Islamic Bank Limited	6.95%	March 05, 2021	April 05, 2021	250,000	250,000	3.87	9.60
As at March 31, 2021				375,000	375,000		
As at June 30, 2020				-	-		

5.4 Commercial paper

Particulars	Issue Rating	Profit rate	Issue date	Maturity date	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
K - Electric - ICP 14	AA	8.04%	February 10, 2021	August 10, 2021	46,177	46,681	0.72	1.79
As at March 31, 2021					46,177	46,681		
As at June 30, 2020					533,000	522,815		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

		(Un-audited) March 31, 2021	Audited June 30, 2020
6. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	6.1	1,827	1,693
Sindh sales tax payable on management remuneration	6.2	237	220
Sales load payable		105	418
Back end load payable		26	-
Payable against shariah advisory fee		53	75
Payable against allocated expenses	6.3	553	358
Payable against marketing and selling expenses	6.4	1,409	1,694
		4,210	4,458
		(Un-audited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note		
Provision for Sindh Workers' Welfare Fund	7.1	22,482	16,168
Provision for Federal Excise Duty and related tax on			
- Management fee	7.2	8,639	8,639
- Sales load		3,028	3,028
Sales load payable to - MCB Bank Limited (related party)		-	8
Auditors' remuneration		269	421
Capital gain tax		1,314	3,639
Printing charges payable		35	40
Others		978	57
		36,745	32,000

7.1 Provision for Sindh Workers' Welfare Fund

'There is no change in the status of the SWWF as reported in the annual audited financial statements of the Fund for the year ended June 30, 2020. 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, 2021 would have been higher by Re. 0.3716 per unit (June 30, 2020: Re. 0.3706 per unit).

7.2 Federal Excise Duty (FED) 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, 2020. 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, 2021 would have been higher by Re. 0.1428 per unit (June 30, 2020: Re.0.1980 per unit).

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2021 (June 30, 2020: Nil).

9. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash or cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

distribute 90% of the net accounting income other than capital gains to the unit holders in cash. The management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

10. EARNINGS PER UNIT

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

11. TOTAL EXPENSE RATIO

The total annualized expense ratio of the Fund from July 1, 2020 to March 31, 2021 is 0.93% (March 31, 2020: 1.7%) and this includes 0.2% (March 31, 2020: 0.39%) representing government levy, Sindh Worker's Welfare Fund, sales taxes, federal excise duties, SECP fee etc

12. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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

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

Remuneration to the Management Company and Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed of the Fund.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

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

For the Nine Months ended March 31, 2021 (Un-audited)							
As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021
Units (Rupees in '000)							

Associated Companies / Undertakings:

MCB Islamic Bank Limited	-	2,201,298	2,201,298	-	-	225,000	225,384	-
Adamjee Insurance Company Limited Window Takaful Operations	-	481,119	-	481,119	-	50,000	-	51,350
Adamjee Life Assurance Company Limited (Tameen)	148,552	2,113,980	1,314,702	947,831	15,129	219,999	136,455	101,163
Adamjee Life Assurance Company Limited (Provident Fund)	49,244	-	49,244	-	5,015	-	-	-
Alhamra Islamic Active Allocation Fund (Plan I)	3,167,846	315,918	3,483,764	-	322,630	33,153	364,441	-
Alhamra Islamic Active Allocation Fund (Plan II)	1,630,629	424,082	772,180	1,282,531	166,072	-	80,000	136,886
Arif Habib Securities Limited Employees Provident Fund Trust	-	71,040	-	71,040	-	7,246	-	7,582
Mandate Under Discretionary Portfolio Services*	881,384	972,811	1,396,777	457,418	89,765	101,708	145,828	48,821
Key management personnel*	68,345	390,995	380,786	78,554	6,961	40,737	39,647	8,384
Unit Holder holding 10% or more*	-	16,964,885	-	16,964,885	-	1,793,000	-	1,810,677

* This reflects the position of related party / connected persons status as at March 31, 2021.

For the Nine Months ended March 31, 2020 (Un-audited)									
As at July 01, 2019		Issued for cash	Redeemed	As at March 31, 2020	As at July 01, 2019		Issued for cash	Redeemed	As at March 31, 2020
					Units ----- (Rupees in '000) -----				

Associated Companies:

MCB-Arif Habib Savings And Investments Limited	-	306	306	-	-	32	32	-
Adamjee Life Assurance Co. Ltd -Mazaaf	593,111	1,393,800	1,986,911	(0)	60,036	145,000	206,026	(0)
Alhamra Islamic Active Allocation Fund (Plan I)	2,147,943	5,449,535	4,564,547	3,032,932	217,419	580,934	484,000	335,188
Alhamra Islamic Active Allocation Fund (Plan II)	3,331,944	3,162,192	4,962,205	1,531,932	337,266	335,475	521,000	169,303
Adamjee Life Assurance Company Limited - Tameen	128,507	658,900	787,408	(0)	13,008	70,000	83,379	(0)
Adamjee Life Assurance Company Limited-PTF	-	47,009	-	47,009	-	5,000	-	5,195
Arif Habib Securities Limited Employees Provident Fund Trust	-	61,382	-	61,382	-	6,700	-	6,784
Mandate Under Discretionary Portfolio Services	868,294	4,603,695	3,923,794	1,548,195	98,141	478,998	404,255	171,101
Key management personnel	47,421	157,097	126,507	78,011	5,275	16,941	13,572	8,622

* This reflects the position of related party / connected persons status as at March 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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

	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	18,976	23,497
Shariah advisory fee	558	676
Allocated expenses	4,970	2,239
Marketing and selling expenses	8,125	2,871
MCB Bank Limited - Parent of the Management Company		
Bank charges	195	93
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Profit on bank balances	6	15,811
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	4,212	1,898
CDC settlement charges	45	5
Next Capital Limited - Joint Venture of MCB Bank Limited & Arif Habib Corporation Limited		
Brokerage expense	509	-
Arif Habib Limited		
Brokerage expense	25	-

12.3 Amount outstanding as at period / year end

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
MCB - Arif Habib Savings & Investment Limited - Management Company		
Management remuneration payable	1,827	1,693
Sindh sales tax payable on management remuneration	237	220
Sale load payable	105	417
Back End Load Payable	26	-
Payable against Shariah advisory fee	53	75
Payable against allocated expenses	553	358
Marketing and selling expense payable	1,409	1,694
MCB Bank Limited - Parent of the Management Company		
Bank deposit	8,944	25,958
Sale load payable	-	8
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Bank balances	1,788	52
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	415	269
Sindh Sales tax payable on remuneration of Trustee	54	35
Security deposits	100	100

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

13 CORRESPONDING FIGURES

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

13.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

14 COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

15 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 close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value 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).

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 16, 2021 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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