



MCB-ARIF HABIB  
Savings and Investments Limited

# ANNUAL REPORT 2021

Funds Under Management of  
MCB-Arif Habib Savings and Investments Limited



# **ALHAMRA ISLAMIC MONEY MARKET FUND**

## TABLE OF CONTENTS

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1	Fund's Information	719
2	Report of the Director of the Management Company	720
3	Report of the Fund Manager	731
4	Trustee Report to the Unit Holders	733
5	Independent Auditor's Report to the Unit Holders	734
6	Report of the Shariah Advisory Board	738
7	Statement of Assets and Liabilities	739
8	Income Statement	740
9	Statement of Other Comprehensive Income	741
10	Statement of Movement in Unit Holder's Fund	742
11	Cash Flow Statement	743
12	Notes to and Forming Part of the Financial Statements	744
13	Pattern of Units Holding by Size	767
14	Performance Table	768

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	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
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Digital Custodian Company Limited</b> (Formerly MCB Financial Services Limited) 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
<b>Bankers</b>	MCB Bank Limited Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited National Bank Limited Askari Bank Limited	
<b>Auditors</b>	<b>KPMG</b> Chartered Accountants Sheikh Sultan Trust Building, Ground No. 2, Beaumont Road, Civil Lines, Karachi. Ph: 021-37131900	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Money Market Fund** (formerly MCB Pakistan Frequent Payout Fund) accounts review for the year ended **June 30, 2021**.

## Economy and Money Market Review

Fiscal year 2021 has proven to be a positive year with respect to economic performance. Country registered a GDP growth rate of 3.94 per cent outpacing the original target of 2.1 per cent for the outgoing fiscal year. This better than expected recovery has been due to relatively lower and stable interest rates, supportive financing schemes from SBP, amnesty scheme to encourage construction sector, resumption in demand and strong inflow of remittances supporting the overall consumption growth.

The growth momentum remained strong throughout the year as reflected in the performance of various sectors. Cement sector saw an impressive comeback in local dispatches as they witnessed a growth of about 20 per cent over last year in FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of approx. 39 per cent over last year in FY21 reflecting the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 12 per cent and 16 per cent respectively over last year indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 14.6 per cent in first eleven months of the current fiscal year led by the cyclical sectors.

On the external front, the country posted a current account deficit of USD 1.8 billion (-0.6 per cent of GDP) in the fiscal year 2021, a 58 per cent improvement when compared with last year deficit of USD 4.4 billion (-1.7 per cent of GDP). Despite a USD 30 billion deficit (about 23 per cent higher this year) on balance on trade in goods and services, current account deficit remained marginally negative due to strong inflow of workers' remittances. Remittances jumped to USD 29.4 billion, up by 27 per cent when compared with USD 23.1 billion a year back.

Inflation remained the chink in the armor for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.9 per cent over last year, with food inflation averaging about 13 per cent 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 6.4 per cent 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 18 per cent during the fiscal year which exceeded the revised target by PKR 30 billion. Fiscal deficit for the first nine months of the period clocked in at 3.6 per cent of GDP, compared to 3.8 per cent of GDP last year. Primary balance was even better at a surplus of 1.0 per cent of GDP compared to last year surplus of 0.4 per cent of GDP.

Yield curve started to slope upward after inflation trajectory was observed to be on the rising trend. 3, 5 and 10 Year bonds saw a rise of 146 bps, 138 bps and 125 bps respectively during the period.

## FUND PERFORMANCE

During the period under review, the fund posted a return of 6.68 per cent compared to the benchmark return of 3.34 per cent. On the equities front, the overall allocation in equity was 0.0 per cent. In addition, the fund's exposure in Cash stood at 46.4 per cent.

The Net Assets of the Fund as at June 30, 2021 stood at Rs. 15,258 million as compared to Rs. 152 million as at June 30, 2020 registering an increase of 9938.16 per cent. The Net Asset Value (NAV) per unit as at June 30, 2021 was Rs. 99.5100 as compared to Rs. 99.5100 at June 30, 2020.

***\*Converted into Islamic money market fund from 21<sup>st</sup> Aug 2020, hence this reflects performance from this date***

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

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SRB through its letter dated August 12, 2021 received on August 13, 2021 by MUFAP, has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. On August 13, 2021 the management in consultation with MUFAP and after concurrence for prospective reversal of provision of SWWF from SECP, reversed the cumulative provision for SWWF recognized in the fund for the period from May 21, 2015 to August 12, 2021. Accordingly, going forward, no provision for SWWF would be recognized in the fund. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future. For further details, refer note 11.1 to the financial statements.

## **Economy & Market – Future Outlook**

Growth momentum is likely to continue in the coming year given the accommodative monetary and fiscal policies. Broader economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. We expect GDP growth to improve further in FY-22 but likely remain slightly lower from government target of 4.8 per cent for FY-22. The recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. On the fiscal side, targets for revenue and development expenditures are highly unlikely to be met.

With imports resuming momentum, Current Account Deficit is expected to reach near 2.8 per cent of GDP which is likely to weaken the exchange rate to near 170 against USD by year end. Commodity prices and weaker currency are also likely to keep average inflation persistent and it may remain near 8.5 per cent. We therefore expect tightening of monetary policy later in the year and expect interest to reach up to 9 per cent by the year end.

IMF program appears to remain on hold as government chooses to further pro-growth measures over austerity based conventional IMF reforms. Focus on growing exports and stimulate domestic demand through investment in construction and housing are the hallmarks of government pro-growth strategy. Enabling environment including stable interest rates, low cost financing schemes for housing and machinery imports and avoiding further increase in power tariffs are the key initiatives in this regard. Public Sector entities and in particular energy sector still remains a thorny issue in IMF talks and continue to remain a major challenge for the government despite recent steps taken to lessen the burden on public finances. A sharp deterioration in balance of payment account may force government to succumb to IMF policy framework and thus alter the economic growth trajectory.

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 37.2 per cent to PKR 1,018 billion in this 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 48 per cent during the period to PKR 467 billion. Within the money market sphere, the conventional funds dominated as they grew by about 39 per cent to PKR 285 billion. Equity and related funds surged rapidly by 33 per cent from PKR 224 billion to PKR 299 billion over the year. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up approx. 38 per cent YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 30 per cent and Income funds having a share of 24 per cent as at the end of the fiscal 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 YEAR ENDED JUNE 30, 2021

### Corporate Governance

The Fund is committed to implement the highest standards of corporate governance. With four (4) Non-Executive Directors, three (3) Independent Directors and one (1) Executive Director on the Board, as governing body of the Management Company, the Board is accountable to the unit holders for good corporate governance. The Board consists of 1 female and 7 male directors. The details are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Nasim Beg	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee.
4.	Mr. Kashif A. Habib	Non-Executive Director	(i) Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	(i) Audit Committee (ii) HR&R* Committee
6.	Mirza Qamar Beg	Independent Director	(i) Audit Committee (Chairman); and (ii) HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	(i) HR&R* Committee
8.	Mr. Muhammad Saqib Saleem	Executive Director	(i) HR&R* Committee

\* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. Financial statements present fairly its state of affairs, the results of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- f. There are no doubts whatsoever upon the Fund's ability to continue as going concern.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2021

- g. There has been no material departure from the best practices of Corporate Governance.
- h. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- j. As at June 30, 2021, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code.
- k. The detailed pattern of unit holding, as required by NBFC Regulations are enclosed.
- l. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below is the details of committee meetings held during the year ended June 30, 2021:

### 1. Meeting of the Audit Committee.

During the year, nine (9) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg(Chairman)	9	9	9	-
2. Mr. Nasim Beg	9	9	9	-
3. Mr. Ahmed Jahangir	9	9	9	-
4. Mr. Kashif A. Habib	9	9	9	-
5. Syed Savail Meekal Hussain	9	9	9	-

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, four (4) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg (chairman)	4	4	4	-
2. Mr. Ahmed Jahangir	4	4	4	-
3. Mr. Nasim Beg	4	4	4	-
4. Ms. Mavra Adil Khan	4	4	3	1
5. Syed Savail Meekal Hussain	4	4	4	-
6. Mr. Muhammad Saqib Saleem (CEO)	4	4	4	-

- m. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE YEAR ENDED JUNE 30, 2021**

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S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1	Muhammad Asif Mehdi Rizvi	Chief Financial Officer	43,083	43,083	—

**External Auditors**

The fund's external auditors **KPMG Taseer Hadi & Co. Chartered Accountant**, have retired during the year & **Ernst & Young Ford Rhodes Chartered Accountants** have been appointed as an external auditors of the fund for financial year ending June 30, 2022. **Ernst & Young Ford Rhodes Chartered Accountants** has also expressed their willingness to act as the fund auditors.

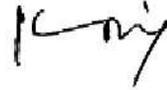
**ACKNOWLEDGMENT**

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  
September 15, 2021



Kashif A. Habib  
Director

## ڈائریکٹرز رپورٹ

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز کے KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس، دوران سال ریٹائر ہو گئے ہیں اور Ernst & Young Ford Rhodes چارٹرڈ اکاؤنٹنٹس، کو فنڈ کے خارجی آڈیٹرز برائے سال مختتمہ 30 جون 2022ء مقرر کر دیا گیا ہے۔ Ernst & Young Ford Rhodes رٹائرڈ اکاؤنٹنٹس نے بھی فنڈ کے آڈیٹرز کے طور پر کام کرنے کے لیے اپنی رضامندی کا اظہار کر دیا ہے۔

اظہار تشکر

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

من جانب ڈائریکٹرز



کاشف اے حبیب

ڈائریکٹر



محمد تاقب سلیم

چیف ایگزیکٹو آفیسر

15 ستمبر 2021ء

## ڈائریکٹرز رپورٹ

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ رخصت	حاضری	مطلوبہ حاضری		
-	9	9	9	۲۔ مرزا محمد قمر بیگ (چیئر مین)
-	9	9	9	۳۔ جناب نسیم بیگ
-	9	9	9	۴۔ جناب احمد جہانگیر
-	9	9	9	۵۔ جناب کاشف اے حبیب
-	9	9	9	۶۔ سید ساویل میقال حسین

۲۔ ہیومن ریسورس اینڈ میوزیشن کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ میوزیشن کمیٹی کی چار (4) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ رخصت	حاضری	مطلوبہ حاضری		
-	4	4	4	۱۔ جناب مرزا قمر بیگ (چیئر مین)
-	4	4	4	۳۔ جناب احمد جہانگیر
-	4	4	4	۴۔ جناب نسیم بیگ
1	3	4	4	۵۔ محترمہ ماوراء عادل خان
-	4	4	4	۶۔ سید ساویل میقال حسین
-	4	4	4	۷۔ جناب محمد ثاقب سلیم (سی ای او)

m. دوران سال مینجمنٹ کمیٹی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس انٹرنل آفیسر، کمپنی سیکریٹری، اور چیف انٹرنل آڈیٹر اور ان

کی اہلیہ/شوہر اور نابالغ بچوں نے فنڈ کے نوٹس میں تجارت کی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
نوٹس کی تعداد					
۱	محمد آصف مہدی رضوی	چیف آپریٹنگ اینڈ فنانس انٹرنل آفیسر	43,083	43,083	-

## ڈائریکٹرز رپورٹ

\* ایچ آر اینڈ آر: ہیومن ریسورس اینڈ ریمونیشن

مینجمنٹ کوڈ آف کارپوریٹ گورننس میں متعین کردہ بہترین روایات کی دفعات، خصوصاً نان ایگزیکٹو ڈائریکٹرز کی خود مختاری کے حوالے سے، کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز، جن میں بورڈ آف ڈائریکٹرز اور مینجمنٹ کے کردار اور ذمہ داریوں کو واضح کیا گیا ہے، کے مطابق کاروبار کرنے پر کاربند ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے پالمسرت مطلع کیا جاتا ہے کہ:

- a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمدورفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
  - b. کمپنی کی درست بکس آف اکاؤنٹس بنائی گئی ہیں؛
  - c. مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹنگ پالیسیوں کا باقاعدگی کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛
  - d. مالیاتی گوشواروں کی تیاری میں پاکستان میں حثی الاطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات، non بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003، non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینڈ ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈز کی ضروریات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛
  - e. انٹرنل کنٹرول کا نظام مستحکم خطوط پر استوار اور مؤثر انداز میں نافذ کیا گیا ہے اور اس کی مؤثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں؛
  - f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کسی قسم کے کوئی شبہات نہیں ہیں؛
  - g. کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛
  - h. واجب الاداء ٹیکس، قانونی چارجز اور ڈیویڈنڈ (محصولات اور چنگی وغیرہ) کو (اگر کوئی ہیں تو) آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔
  - i. پراویڈنٹ/گرمیچوٹنی اور پینشن فنڈ کی سرمایہ کاریوں کی قدر کے بیان کا اطلاق فنڈ پر نہیں ہوتا لیکن مینجمنٹ کمپنی پر ہوتا ہے؛ چنانچہ ڈائریکٹرز رپورٹ میں کوئی اظہار نہیں کیا گیا ہے۔
  - j. 30 جون 2021ء کو کمپنی کوڈ کے ریگولیشن نمبر 20 کے مطابق ڈائریکٹرز ٹریڈنگ پروگرام کی شرائط پر عمل پیرا ہے۔
  - k. این بی ایف سی ریگولیشنز کے مطابق مطلوب پونٹ ہولڈنگ کا تفصیلی خاکہ منسلک ہے۔
- ا. بورڈ آف ڈائریکٹرز میٹنگ کی حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کر دی گئی ہیں۔ سال مختتمہ 30 جون 2021ء کے دوران ہونے والی کمیٹی میٹنگز کی تفصیلات درج ذیل ہیں:
- ا۔ آڈٹ کمیٹی کی میٹنگ
- دوران سال آڈٹ کمیٹی کی نو (9) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

## ڈائریکٹرز رپورٹ

### میوچل فنڈ صنعت کا جائزہ

اپن end میوچل فنڈ صنعت کے net اثاثہ جات اس مالی سال میں تقریباً 37.2 فیصد بڑھ کر 1,018 بلین روپے ہو گئے۔ منی مارکیٹ فنڈ ز 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 48 فیصد بڑھ کر 467 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 39 فیصد بڑھ کر 285 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سال 33 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 299 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 38 فیصد سال در سال (YoY) ترقی کو قرار دیا جاسکتا ہے۔

شعبہ جاتی حصے کے اعتبار سے مالی سال کے اختتام پر منی مارکیٹ فنڈز تقریباً 46 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

### میوچل فنڈ صنعت کے مستقبل کا منظر

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہم امید کرتے ہیں 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 سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار نافذ کرنے کے لیے پرعزم ہے۔ چار (4) نان ایگزیکٹو ڈائریکٹرز، تین (3) خود مختار ڈائریکٹرز اور ایک (1) ایگزیکٹو ڈائریکٹر پر مشتمل بورڈ، مینجمنٹ کمیٹی کی گورننگ باڈی کی حیثیت سے یونٹ حاملین کو عمدہ کارپوریٹ گورننس کے لیے جوابدہ ہے۔ بورڈ میں 1 خاتون اور 7 حضرات ڈائریکٹرز شامل ہیں۔ تفصیلات درج ذیل ہیں:

نمبر شمار	نام	عہدہ	دیگر بورڈ کمیٹیوں میں رکنیت
1.	جناب ہارون راشد	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب نسیم بیگ	نان ایگزیکٹو ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
3.	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
4.	جناب کاشف اے حبیب	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	سید ساویل میکال حسین	خود مختار ڈائریکٹر	(i) آڈٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
6.	جناب مرزا قمر بیگ	خود مختار ڈائریکٹر	(i) آڈٹ کمیٹی (چیئرمین)؛ اور (ii) ایچ آر اینڈ آر کمیٹی* (چیئرمین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *
8.	جناب محمد شاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *

## ڈائریکٹر رپورٹ

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 6.68 فیصد منافع پوسٹ کیا، جبکہ مقررہ معیار کا منافع 3.34 فیصد تھا۔  
فنڈ کا ایکویٹیز میں مجموعی اختصاص 0.0 فیصد تھا، جبکہ نقد میں شمولیت 46.4 فیصد تھی۔

30 جون 2021ء کو فنڈ کے net اثاثہ جات 15,258 ملین روپے تھے جو 30 جون 2020ء کی سطح 152 ملین روپے کے مقابلے میں 9938.16 فیصد اضافہ ہے۔

30 جون 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 99.5100 روپے تھی، جو 30 جون 2020ء کو بھی 99.5100 روپے فی یونٹ تھی۔

\*21 اگست 2020ء سے اسلاک منی مارکیٹ فنڈ میں منتقل کر دیا گیا، چنانچہ یہ مذکورہ تاریخ سے کارکردگی کی عکاسی ہے۔

ایس آر بی نے اپنے خط مورخہ 12 اگست 2021ء کے ذریعے، جو MUFAP کو 13 اگست 2021ء کو موصول ہوا، MUFAP کو مطلع کر دیا ہے کہ میوچل فنڈ ز مالیاتی اداروں / صنعتی اسٹیبلشمنٹس کے طور پر اہل نہیں ہیں اور چنانچہ SWWF کے شراکتی حصے ان پر واجب الاداء نہیں ہیں۔ 13 اگست 2021ء کو انتظامیہ نے MUFAP سے مشورے کے بعد اور ایس ای سی پی سے SWWF کے پراویژن کی متوقع تقلیب پر اتفاق رائے کے بعد فنڈ میں 21 مئی 2015ء تا 12 اگست 2021ء کی مدت تک کے لیے کیے گئے SWWF کے مجموعی پراویژن کی تقلیب کر دی ہے۔ چنانچہ آئندہ فنڈ میں SWWF کے لیے کوئی پراویژن نہیں کیا جائے گا۔ پراویژن کی تقلیب کے باعث 13 اگست 2021ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) میں غیر معمولی اضافہ ہوا۔ یہ واقعہ صرف ایک مرتبہ ہوا ہے اور اس کے دوبارہ ہونے کا امکان نہیں ہے۔ مزید تفصیلات کے لیے مالیاتی گوشواروں کا نوٹ 11.1 ملاحظہ فرمائیے۔

### معیشت اور بازار - مستقبل کا منظر

سہل مالیاتی پالیسیوں کے سبب آنے والے سال میں ترقی کی رفتار جاری رہنے کا امکان ہے۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آرہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سیمنٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ ہم امید کرتے ہیں کہ جی ڈی پی میں مالی سال 2022ء میں مزید ترقی ہوگی لیکن حکومتی ہدف 4.8 فیصد سے کچھ کم رہے گی۔ اشیاء کی قیمتوں میں حالیہ اضافے نے مالیاتی اور خارجی، دونوں اکاؤنٹس کے لیے مشکلات پیدا کی ہیں۔ مالیاتی جہت میں آمدنی اور ترقیاتی اخراجات کے اہداف کا پورا ہونا بہت مشکل ہے۔

درآمدات کی رفتار میں بحالی سے کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 2.8 فیصد پہنچ جانے کی امید ہے جس کے باعث اختتام سال تک زیرمبادلہ کی شرح کمزور ہو کر تقریباً 170 ڈالر ہونے کا امکان ہے۔ اشیاء کی قیمتیں اور کمزور روپیہ بھی اوسط افراط زر کو برقرار رکھنے کا سبب بن سکتے ہیں جو تقریباً 8.5 فیصد ہو سکتی ہے۔ چنانچہ دوران سال آگے چل کر مالیاتی پالیسی میں سختی متوقع ہے اور اختتام سال تک سود کے 9 فیصد تک پہنچ جانے کا امکان ہے۔

آئی ایم ایف پروگرام بظاہر تعطل کا شکار ہے کیونکہ حکومت کفایت شعاری پر مبنی روایتی آئی ایم ایف اصلاحات پر ترقی پسندانہ اقدامات میں توسیع کو ترجیح دے رہی ہے۔ تعمیرات اور رہائش کے شعبوں میں سرمایہ کاری کے ذریعے برآمدات میں اضافے اور مقامی طلب کو متحرک کرنے پر توجہ کا ارتکاز حکومت کی ترقی پسندانہ حکمت عملی کے سنگ میل ہیں۔ اس ضمن میں کلیدی اقدامات میں سازگار ماحول بشمول سود کی مستحکم شرحیں، رہائش اور مشینوں کی درآمدات کے لیے رقم مہیا کرنے کی کم لاگت اسکیمیں، اور بجلی کی محصولات میں مزید اضافے سے احتراز شامل ہیں۔ پبلک سیکٹر میں رقوم کی فراہمی پر بوجھ میں کمی کے حالیہ حکومتی اقدامات کے باوجود پبلک سیکٹر کے ادارے اور خاص طور پر توانائی کا شعبہ تاحال آئی ایم ایف مذاکرات میں ایک تلخ مسئلہ اور حکومت کے لیے ایک بڑا چیلنج بنا ہوا ہے۔ ادائیگی کے توازن کے اکاؤنٹ میں تیزی سے ہونے والا بگاڑ حکومت کو آئی ایم ایف پالیسی کے ڈھانچے کے سامنے ہتھیار ڈالنے پر مجبور کر سکتا ہے جس کے نتیجے میں معاشی ترقی کی رفتار میں تبدیلی آسکتی ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شروحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم 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 اٹھایا جاسکے۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک منی مارکیٹ فنڈ (سابقہ: ایم سی بی پاکستان فریکوینٹ پے آؤٹ فنڈ) کے گوشواروں مختصہ 30 جون 2021ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

مالی سال 2021ء معاشی کارکردگی کے اعتبار سے مثبت سال ثابت ہوا ہے۔ مجموعی ملکی پیداوار (جی ڈی پی) اس سال کے ہدف (2.1 فیصد) سے سبقت لے گئی اور اس میں 3.94 فیصد ترقی ہوئی۔ اس توقع سے بہتر کارکردگی کے اسباب سود کی نسبتاً کم اور مستحکم شرحیں، اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیمیں، شعبہ تعمیرات کی حوصلہ افزائی کے لیے ایمنسٹی اسکیم، طلب میں بحالی اور کھپت میں مجموعی ترقی کے لیے معاون ثابت ہونے والی ترسیلات کی مضبوط آمد ہیں۔

ترقی کی رفتار سال بھر تیز رہی جس کی عکاسی مختلف شعبوں کی کارکردگی کے ذریعے ہوتی ہے۔ سیمنٹ کے شعبے میں مقامی ترسیلات میں متاثر کن بحالی ہوئی اور ان میں سال گزشتہ کے مقابلے میں تقریباً 20 فیصد ترقی ہوئی۔ 2 اور 3 چھپوں والی گاڑیوں کی فروخت میں بھی تقریباً 39 فیصد کا متاثر کن ترقی ہوئی جس سے معیشت میں پلک کی عکاسی ہوتی ہے۔ اسی طرح، پٹرول اور ڈیزل کی طلب میں سال گزشتہ کے مقابلے میں بالترتیب 12 فیصد اور 16 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی نشاندہی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں گزشتہ شعبوں کی بدولت موجودہ مالی سال کے پہلے گیارہ ماہ میں تقریباً 14.6 فیصد ترقی ہوئی ہے۔

خارجی میدان میں مالی سال 2021ء میں کرنٹ اکاؤنٹ کا خسارہ 1.8 بلین ڈالر (جی ڈی پی کا 0.6 فیصد) تھا جو گزشتہ سال کے خسارے 4.4 بلین ڈالر (جی ڈی پی کے 1.7 فیصد) کے مقابلے میں 58 فیصد بہتری ہے۔ اشیاء اور خدمات میں تجارت پر بقایا پر 30 بلین ڈالر خسارے (اس سال تقریباً 23 فیصد زیادہ) کے باوجود کارکنان کی ترسیلات کی مضبوط آمد کے سبب کرنٹ اکاؤنٹ خسارہ معمولی منفی رہا۔ ترسیلات بڑھ کر 29.4 بلین ڈالر ہو گئیں جو سال گزشتہ کی سطح 23.1 بلین ڈالر کے مقابلے میں 27 فیصد اضافہ ہے۔

افراط زر حکومت کی دھستی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط سال گزشتہ سے 8.9 فیصد زیادہ تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران 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۔ اس کے باوجود 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 6.4 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 کو ووڈ 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 دوران مالی سال 18 فیصد اضافہ ہوا جو نظر ثانی شدہ ہدف سے 30 بلین روپے زیادہ تھا۔ ابتدائی نو ماہ کا مالیاتی خسارہ جی ڈی پی کا 3.6 فیصد تھا جبکہ سال گزشتہ جی ڈی پی کا 3.8 فیصد تھا۔ بنیادی توازن جی ڈی پی کے 1.0 فیصد زائد کے ساتھ مزید بہتر ہا جبکہ سال گزشتہ جی ڈی پی کا 0.4 فیصد تھا۔

افراط زر میں اضافے کے رجحان کے سبب پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 146، 138 اور 125 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

## REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2021

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### Fund Type and Category

Alhamra Islamic Money Market Fund (Formerly: Pakistan Frequent Payout Fund) is an Open-End Islamic Money Market Scheme.

### Fund Benchmark

The benchmark for ALHIMMF is three (3) months' average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

### Investment Objective

Alhamra Islamic Money Market Fund is an Islamic money market fund and its objective is to provide a reasonable rate of return with a maximum possible capital preservation by investing primarily in liquid Shariah Compliant money market securities.

### Investment Strategy

Alhamra Islamic Money Market Fund is an Open-ended Shariah Compliant Money Market Scheme which primarily invests in Shariah Compliant Authorized Investments. The Fund is subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.

### Manager's Review

During the period under review, the fund posted a return of 6.68% compared to the benchmark return of 3.34%. The fund's exposure in Shariah Commercial Papers stood at 8.4%, while Cash was 46.4% at the end of the period.

The Net Assets of the Fund as at June 30, 2021 stood at Rs. 15,258 million. The Net Asset Value (NAV) per unit as at June 30, 2021 was 99.5100.

### Asset Allocation as on June 30, 2021 (% of total assets)

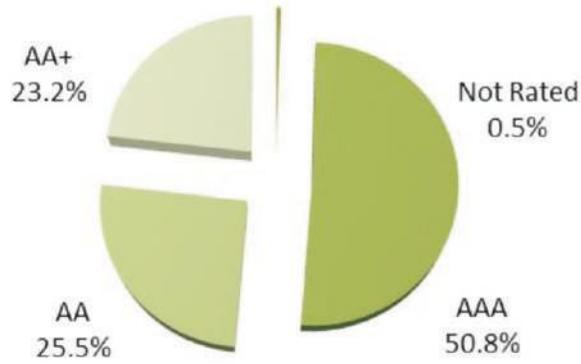
Asset Allocation (%age of Total Assets)	Jun-21
Cash	46.4%
Other including receivables	0.5%
Shariah Compliant Bank Deposits	17.0%
Short term Sukuks	2.3%
Shariah Compliant Commercial Papers	8.4%
Shariah Compliant Placement with Banks	25.4%

**REPORT OF THE FUND MANAGER  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Asset Quality as on June 30, 2021 (% of total assets)**



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**Awais Abdul Sattar, CFA**  
**Fund Manager**

# TRUSTEE REPORT TO THE UNIT HOLDERS



## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### AL HAMRA ISLAMIC MONEY MARKET FUND

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

Al Hamra Islamic Money Market Fund, an open-end Scheme established under a Trust Deed dated July 17<sup>th</sup>, July, 2020 executed between MCB-Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Company Limited formerly MCB Financial Services Limited as Trustee.

1. MCB Arif Habib Savings and Investments Limited, the Management Company of Al Hamra Islamic Money Market Fund has, in all material respects, managed Al Hamra Islamic Money Market Fund during the year ended 30<sup>th</sup> June 2021 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

Khawaja Anwar Hussain  
Chief Executive Officer  
Digital Custodian Company Limited  
Formerly MCB Financial Services Limited

Karachi: September 10, 2021

Perdesi House | 2/1 R-Y | Old Queens Road | Karachi – 74200 | Pakistan  
+92-21-32419770 | www.digitalcustodian.co | info@digitalcustodian.co

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## INDEPENDENT AUDITOR'S REPORT

**To the Unit Holders of Alhamra Islamic Money Market Fund (Formerly MCB Pakistan Frequent Payout Fund)**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Alhamra Islamic Money Market Fund (Formerly MCB Pakistan Frequent Payout Fund) ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund, cash flow statement for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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KPMG Taseer Hadi & Co.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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KPMG Taseer Hadi & Co.

expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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KPMG Taseer Hadi & Co.

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

## **Other Matter**

The financial statements of the Fund for the year ended 30 June 2020, were audited by another firm of auditors, who expressed an unmodified opinion on those statements on 17 September 2020.

The engagement partner on the audit resulting in this independent auditor's report is Aryn Pirani.

**Date: 22 September 2021**

**Karachi**

**KPMG Taseer Hadi & Co.  
Chartered Accountants**

# REPORT OF THE SHARIAH ADVISORY BOARD

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Karachi: September 10, 2021

## REPORT OF THE SHARIAH ADVISORY BOARD

Alhamdulillah, We the Shariah Advisory Board of the Fund, are issuing this report in accordance with the Offering document of Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan Frequent Payout Fund) (the Fund). The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of M/s MCB Arif Habib Savings and Investments limited (MCBAH), the management company of the fund, to establish and maintain a system of internal controls to ensure compliance with Shariah guidelines. Our responsibility is to express an opinion, based on our review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, we hereby certify that:

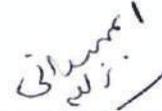
- We have reviewed and approved the modes of investment of ALHIMMF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHIMMF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of ALHIMMF for the period from August 20, 2020 to June 30, 2021 have been in compliance with Shariah principles.

During the year an amount of Rupees 276,996.00 was transferred to charity account. The total amount of charity payable as at 30 June 2021 amounts to Rs. 276,996.00.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the hereafter, and forgive our mistakes.



Dr Muhammad Zubair Usmani  
(Shariah Advisor)



Dr Ejaz Ahmed Samadani  
(Shariah Advisor)

**For and on behalf of Shariah Advisory Board**

**STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2021**

	30 June 2021	30 June 2020
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	4 7,092,512	43,747
Investments	5 8,122,692	104,843
Markup receivable on investments and bank balance	6 64,162	2,973
Advances and deposits	7 4,214	4,311
Preliminary expenses and floatation costs	-	54
Receivable from Management Company	8.3 1,844	-
Receivable from National Clearing Company of Pakistan Limited	-	5,180
<b>Total assets</b>	<b>15,285,424</b>	<b>161,108</b>
<b>LIABILITIES</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	8 60	539
Payable to Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)	9 818	46
Payable to the Securities and Exchange Commission of Pakistan	10 1,211	36
Dividend Payable	5,033	-
Accrued expenses and other liabilities	11 20,672	8,144
<b>Total liabilities</b>	<b>27,794</b>	<b>8,765</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	12	
<b>NET ASSETS</b>	<b>15,257,630</b>	<b>152,343</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>15,257,630</b>	<b>152,343</b>
	----- (Number of Units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>153,327,608</b>	<b>1,530,931</b>
	----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>99.5100</b>	<b>99.5100</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

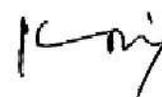
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

	Note	30 June 2021 ----- (Rupees in '000) -----	30 June 2020
<b>INCOME</b>			
Markup on investments	13	109,399	11,656
Loss on sale of investments classified as 'at fair value through profit or loss' - net		(1,922)	(6,228)
Markup on bank deposit		309,251	10,105
Unrealised appreciation on re-measurement of investment 'at fair value through profit or loss' - net	14	-	371
Other income		87	435
<b>Total income</b>		<b>416,815</b>	<b>16,339</b>
<b>EXPENSES</b>			
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	8.1	3,523	2,915
Sindh Sales Tax on remuneration of the Management Company		458	379
Allocated expenses	8.2	21	178
Selling and marketing expenses	8.2	165	1,201
Remuneration of Digital Custodian Company (Formerly MCB Financial Services Limited) - Trustee	9.1	2,538	501
Sindh Sales Tax on remuneration of trustee		330	65
Annual fee of Securities and Exchange Commission of Pakistan	10.1	317	36
Provision against Sindh Workers' Welfare Fund	11.1	8,163	184
Auditors' remuneration	15	88	657
Amortization of preliminary expenses and formation costs		20	147
Charity expense	16	277	-
Legal and professional charges		62	88
Settlement and bank charges		591	461
Shahriah fee		216	-
Fees and subscriptions		38	494
Printing and related costs		18	-
<b>Total expenses</b>		<b>16,825</b>	<b>7,306</b>
<b>Net income for the year before taxation</b>		<b>399,990</b>	<b>9,033</b>
Taxation	18	-	-
<b>Net income for the year</b>		<b>399,990</b>	<b>9,033</b>
<b>Allocation of net income for the year</b>			
Net income for the year		399,990	9,033
Income already paid on units redeemed		(5,309)	(78)
<b>Accounting income available for distribution</b>		<b>394,681</b>	<b>8,955</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		-	-
Excluding capital gains		394,681	8,955
		<b>394,681</b>	<b>8,955</b>
<b>Earnings per unit</b>	19		

The annexed notes 1 to 26 form an integral part of these financial statements.

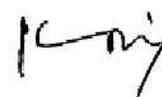
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

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	30 June 2021 ----- (Rupees in '000) -----	30 June 2020 -----
Net income for the year	399,990	9,033
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>399,990</b>	<b>9,033</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

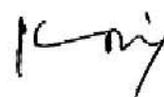
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	For year ended 30 June					
	2021			2020		
	(Rupees in '000)					
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net assets at beginning of the year	147,651	4,692	152,343	244,862	8,649	253,511
Issue of 329,665,465 units (2020: 117,159 units)						
- Capital value	32,805,010	-	32,805,010	11,962	-	11,962
- Element of income	6,274	-	6,274	(302)	-	(302)
<b>Total proceeds on Issuance of units</b>	<b>32,811,284</b>	<b>-</b>	<b>32,811,284</b>	<b>11,660</b>	<b>-</b>	<b>11,660</b>
Redemption of 177,868,788 units (2020: 1,069,144 units)						
- Capital value	(17,699,723)	-	(17,699,723)	(109,162)	-	(109,162)
- Amount paid out of element of income	(5,782)	(5,309)	(11,091)	291	(78)	213
<b>Total payments on redemption of units</b>	<b>(17,705,505)</b>	<b>(5,309)</b>	<b>(17,710,814)</b>	<b>(108,871)</b>	<b>(78)</b>	<b>(108,949)</b>
Total comprehensive income for the year	-	399,990	399,990	-	9,033	9,033
Final distributions for the year ended 30 June 2021	(492)	(394,681)	(395,173)	-	(12,912)	(12,912)
Net (loss) / income for the year less distribution	(492)	5,309	4,817	-	(3,879)	(3,879)
<b>Net assets as at the end of the year</b>	<b>15,252,938</b>	<b>4,692</b>	<b>15,257,630</b>	<b>147,651</b>	<b>4,692</b>	<b>152,343</b>
Undistributed income brought forward						
- Realized income at the beginning of the year		4,321			8,615	
- Unrealized income at the beginning of the year		371			34	
		4,692			8,649	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Relating to other than capital gains		394,681			8,955	
		394,681			8,955	
Distributions during the year		(394,681)			(12,912)	
Undistributed income carried forward		4,692			4,692	
Undistributed income carried forward						
- Realised		4,692			4,321	
- Unrealised		-			371	
		4,692			4,692	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		99.5100			102.1021	
Net assets value per unit at end of the year		99.5100			99.5100	

The annexed notes 1 to 26 form an integral part of these financial statements.

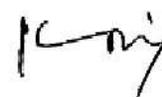
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2021

	30 June 2021	30 June 2020
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	399,990	9,033
<b>Adjustments for:</b>		
Unrealised appreciation on re-measurement of investment classified as 'at fair value through profit or loss' - net	-	(371)
Provision for Sindh Workers' Welfare Fund	8,163	184
	408,153	8,846
<b>(Increase) / Decrease in assets</b>		
Investments	(8,017,849)	(39,003)
Markup receivable on investments and bank balance	(61,189)	(1,212)
Advances and deposits	97	(13)
Preliminary expenses and floatation costs	54	147
Receivable from Management Company	(1,844)	-
Receivable from National Clearing Company of Pakistan Limited	5,180	-
	(8,075,551)	(40,081)
<b>Decrease / (Increase) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(479)	83
Payable to Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)	772	-
Payable to the Securities and Exchange Commission of Pakistan	1,175	(276)
Dividend payable	5,033	(1,905)
Accrued expenses and other liabilities	4,365	352
	10,866	(1,746)
<b>Net cash flows from operating activities</b>	(7,656,532)	(32,981)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	32,810,792	11,660
Payments on redemption of units	(17,710,814)	(108,949)
Distribution during the period	(394,681)	(12,912)
<b>Net cash flows from financing activities</b>	14,705,297	(110,201)
<b>Increase / (Decrease) in cash and cash equivalents during the year</b>	7,048,765	(143,182)
Cash and cash equivalents at beginning of the year	43,747	186,929
<b>Cash and cash equivalents at end of the year</b>	7,092,512	43,747

The annexed notes 1 to 26 form an integral part of these financial statements.

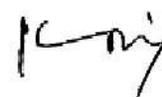
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Money Market Fund (Formerly MCB Pakistan Frequent Payout Fund) ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. MCB Arif Habib Savings and Investments Limited is the Management Company (Wakeel) of the Fund, and Digital Custodian Company (formerly MCB Financial Services Limited) is the Trustee. The Trust Deed was executed on 22 July 2015 (modified & restated on 17 July 2020 for changing the name & category of the fund) and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 16 July 2015.

Being an Islamic Fund, all the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The Management Company (Wakeel) has appointed a Shariah Supervisory Council whose advice is followed to ensure that activities of the Fund are in compliance with Shariah.

The Fund was an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated 6 March 2009 issued by the SECP. Securities and Exchange Commission of Pakistan (SECP) vide its letter # SCD / AMCW / MCB AHSIL / MCBPFPF /03/2020 dated July 14, 2020, has approved the conversion of MCB Pakistan Frequent Payout Fund renamed as Alhamra Islamic Money Market Fund from Asset Allocation Scheme to Islamic Money Market Scheme. The Fund was converted from forward pricing fund to backward pricing fund and NAV of 20 August 2020 is applicable NAV of 21 August 2020. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Management Company (Wakeel) of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I .I. Chundrigar Road, Karachi, Pakistan.

The title to the assets of the Fund is held in the name of Digital Custodian Company (formerly MCB Financial Services Limited) as the Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated 6 October 2020 to the Management Company and stability rating of "AA(f)" dated 9 March 2021 to the Fund.

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement of registration of Trust Deed under Sindh Act 2020, has submitted Collective Investment Scheme's Trust Deed to Registrar acting under Sindh Act 2020 for registration.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have 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 and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after 1 July 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore are not detailed in these financial statements.

## 2.3 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rule around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

COVID-19-Related Rent Concessions (Amendment to IFRS 16) - the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to the other terms and conditions of the lease.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

### - Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented
  - Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
  - Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
  - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
    - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
    - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
    - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Above amendments are not likely to have any material effect on the Fund financial statements.

## 2.4 Critical accounting estimates and judgements

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year relates to;

- Classification of financial assets (note 3.1.1)
- Valuation and Impairment of financial assets (note 3.1.4 and 5)
- Provisions (note 3.2)
- Element of income (note 3.7)
- Taxation (note 3.4)

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

## 2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention, except few investments that have been measured at fair value.

## 2.6 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the fund's functional and presentation currency. All amount have been rounded off to the nearest thousands of rupee, unless otherwise indicated.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Financial assets

#### 3.1.1 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## **Business model assessment**

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

## **Assessment of whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as markup.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and debt securities. These financial assets are held to collect contractual cash flow.
- Other business model: this includes debt securities. These financial assets are managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

## **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

## **Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

### **3.1.2 Initial recognition and measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 3.1.3 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

**Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in income statement.

**Financial assets at amortised cost** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Markup income, foreign exchange gains and losses and impairment are recognised in income statement.

The fair value of financial assets are determined as follows:

### a) Debt securities (other than Government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

### b) Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

## 3.1.4 Impairment of financial assets

### Financial assets at amortised cost

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model.

The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and have instructed to continue to follow the requirements of Circular No. 33 of 2012 dated 24 October 2012

The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company. Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP. As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in Circular No. 33 of 2012 dated 24 October 2012, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

## 3.1.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

## 3.1.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 3.1.7 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

## 3.1.8 Trade date accounting

All regular way purchases and sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Fund. Regular way purchases or sales of investment require delivery of securities within two days after transaction date as required by stock exchange regulations.

## 3.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognized at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

## 3.3 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

## 3.4 Taxation

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 among the unit holders. Provided that for the purpose of determining distribution of atleast ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of taxation in these financial statements as the Fund distributes more than ninety percent of its accounting income for the current year and intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders' every year

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.

## 3.5 Dividend distribution and appropriations

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

## 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received, by the distributors / Management Company during business hours, as of the close of the previous day on which the applications were received. The offer price represents the net assets value per unit as of the close of previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net assets value per unit as of the close of the previous day on which the applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### 3.7 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on the issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per the guidelines provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

### 3.8 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

### 3.9 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income / markup from investments in debt securities is recognised on a time proportionate basis using effective interest rate method.
- Markup on bank deposits and on investments are recognized on an accrual basis at effective interest rates. Premium or discount on acquisition of investments is amortized through the Income Statement over the remaining period till maturity using the effective interest method.

### 3.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

### 3.11 Other assets

Other assets are stated at cost less impairment losses, if any.

	<i>Note</i>	30 June 2,021	30 June 2020
----- (Rupees in '000) -----			
<b>4 BANK BALANCES</b>			
Profit and loss sharing accounts	4.1	7,092,512	41,238
Current accounts		-	2,509
		<b>7,092,512</b>	<b>43,747</b>

- 4.1 These carry markup rates ranging from 5.5% to 6.93% (30 June 2020: 5.5% to 7.83%) per annum. These balances include Rs. 1.904 million (30 June 2020: Rs. 2.509 million) maintained with MCB Bank Limited (a related party). The PLS accounts are held with Islamic Banks / Islamic window of the conventional bank.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

**5 INVESTMENTS**

**At fair value through profit or loss**

	30 June 2021	30 June 2020
Government securities - Pakistan Investment Bonds	-	104,258
Government securities - Market Treasury Bills	-	-
Sukuk certificates - unlisted	352,000	585
Commercial papers - unlisted	1,278,407	-
Government securities - Ijara sukuk	-	-
	<u>1,630,407</u>	<u>104,843</u>

**Financial assets at amortized cost**

Bai Muajjal	3,892,285	-
Term Deposit Receipts	2,600,000	-
	<u>6,492,285</u>	<u>-</u>
<b>Total</b>	<u>8,122,692</u>	<u>104,843</u>

**5.1 Financial assets 'at fair value through profit or loss'**

**5.1.1 Pakistan investment bonds**

Particulars	Issue Date	Face value				As at 30 June 2021		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2020	Purchased during the year	Sold / matured during the year	As at 30 June 2021	Carrying value	Market value		
Pakistan Investment Bond - 3 Years	19-Sep-19	50,000	-	(50,000)	-	-	-	-	
Pakistan Investment Bond - 3 Years	19-Sep-19	-	50,000	(50,000)	-	-	-	-	
Pakistan Investment Bond - 3 Years	18-Jun-20	-	125,000	(125,000)	-	-	-	-	
Pakistan Investment Bond - 5 Years	19-Sep-19	50,000	-	(50,000)	-	-	-	-	
Pakistan Investment Bond - 5 Years	19-Sep-19	-	50,000	(50,000)	-	-	-	-	
<b>Total as at 30 June 2021</b>									
					103,894	104,258			
Total as at 30 June 2020								364	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 5.1.2 Government securities - Market treasury bills

Tenor	Issue date	Face value			As at 30 June 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2020	Purchased during the year	Sold / matured during the year	As at 30 June 2021	Carrying value	Market value		
Market treasury bills - 3 months	2-Jul-20	-	75,000	(75,000)	-	-	-	-	
Market treasury bills - 3 months	16-Jul-20	-	75,000	(75,000)	-	-	-	-	
Market treasury bills - 6 months	16-Jul-20	-	75,000	(75,000)	-	-	-	-	
Market treasury bills - 6 months	2-Jul-20	-	75,000	(75,000)	-	-	-	-	
<b>Total as at 30 June 2021</b>									
Total as at 30 June 2020									

## 5.1.3 Sukuk Certificates - Unlisted

Name of investee company	As at 01 July 2020	Purchased during the year	Disposed / matured during the year	As at 30 June 2021	As at 30 June 2021			Market value	
					Carrying value before revaluation	Market value (Revised carrying value)	Unrealised appreciation/ (diminution)	As percentage of net assets	As percentage of total investments
Byco Petroleum Pakistan Limited	10	-	10	-	-	-	-	-	-
Hub Power Company Limited - Sukuk	-	218	218	-	-	-	-	-	-
Hub Power Company Limited - Sukuk	5.1.3.1	352	-	352	352,000	352,000	2.31	4.33	7.82
<b>Total as at 30 June 2021</b>					<b>352,000</b>	<b>352,000</b>			
Total as at 30 June 2020					578	585			

Face value of these sukuk certificates is Rs.1,000,000 per certificate.

5.1.3.1 The terms and conditions of sukuk certificates outstanding as at 30 June 2021 are as follows:

Name of investee company	Rating	Tenure	Markup payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Hub Power Company Limited - Sukuk	AA+	6 Months	On maturity	Unsecured	5-May-21	5-Nov-21	6 months KIBOR (7.66) +1.10% (8.76%)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

5.1.4 Commercial papers

Name of investee company	As at 01 July 2020	Purchased during the year	Disposed / matured during the year	As at 30 June 2021	As at 30 June 2021		Market value		Investment as a percentage of total issue size
					Carrying value before revaluation	Market value (Revised carrying value)	Unrealised appreciation/ (diminution)	As percentage of net assets	
(Number of certificates)									
K Electric ICP 12	-	1,800	1,800	-	-	-	-	-	-
K Electric ICP 14	-	3,300	2,625	675	669,398	669,398	4.39	8.2	15%
K Electric ICP 15	-	998	798	200	197,286	197,286	1.29	2.4	4%
K Electric ICP 16	-	680	510	170	167,100	167,100	1.10	2.1	4%
K Electric ICP 17	-	250	-	250	244,623	244,623	1.60	3.0	7%
<b>Total as at 30 June 2021</b>	-	<b>7,028</b>	<b>5,733</b>	<b>1,295</b>	<b>1,278,407</b>	<b>1,278,407</b>	-	-	-
Total as at 30 June 2020									

Face value of these commercial papers are Rs. 1,000,000 per certificate.

5.1.4.1 The terms and conditions of commercial papers outstanding as at 30 June 2021 are as follows:

Description - Commercial Papers	Issue Date	Maturity Date	Mark-up rate	Total Face Value (maturity value)	Term	Secured / Unsecured
K Electric ICP 14	10-Feb-20	10-Aug-21	7.66%	675,000	6 months	unsecured
K Electric ICP 15	2-Mar-21	2-Sep-21	7.99%	200,000	6 months	unsecured
K Electric ICP 16	16-Mar-21	16-Sep-21	8.25%	170,000	6 months	unsecured
K Electric ICP 17	6-Apr-21	6-Oct-21	8.42%	250,000	6 months	unsecured
				<b>1,295,000</b>		

5.1.5 Government securities - Ijara sukus

Name of investee company	As at 01 July 2020	Purchased during the year	Disposed / matured during the year	As at 30 June 2021	As at 30 June 2021		Market value		Investment as a percentage of total issue size
					Carrying value before revaluation	Market value (Revised carrying value)	Unrealised appreciation/ (diminution)	As percentage of net assets	
Rupees in '000									
GOP Ijara Sukuk	-	62,500	62,500	-	-	-	-	-	-
<b>Total as at 30 June 2021</b>	-	<b>62,500</b>	<b>62,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total as at 30 June 2020									

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 5.2 Financial assets 'amortised cost'

### 5.2.1 Bai Muajjal Receivable

Description	As at 01 July 2020	Transaction executed during the year	Markup accrued during the year	Matured during the year	Carrying Value as at 30 June 2021	Carrying value as a percentage of net assets of Fund	Carrying value as a percentage of total investments
<b>Total as at 30 June 2021</b>	-	5,468,061	40,014	1,615,790	3,892,285	0.26	0.48
Total as at 30 June 2020	-	-	-	-	-		

#### 5.2.1.1 The terms and conditions of Bai Muajjal as at 30 June 2021 are as follows:

Counter Party Name	Issue date	Maturity date	Markup rate	Total transaction price (maturity value)	Deferred Income (unearned income as at year end)	Accrued Markup (earned income)	Carrying Value
(Rupees in 000)							
Bank of Punjab	09-Feb-21	20-May-21	7.00%	403,958	-	7,601	-
Bank of Punjab	11-Feb-21	20-May-21	7.00%	403,979	-	7,453	-
Samba Bank Limited	15-Feb-21	18-May-21	7.05%	403,917	-	7,052	-
Samba Bank Limited	17-Feb-21	18-May-21	7.05%	403,936	-	6,902	-
Samba Bank Limited	15-Jun-21	15-Sep-21	7.15%	603,637	8,828	1,858	594,809
Samba Bank Limited	15-Jun-21	15-Sep-21	7.15%	200,114	2,926	616	197,188
Samba Bank Limited	15-Jun-21	15-Sep-21	7.15%	169,478	2,478	522	167,000
Pak Oman Investment Company Limited	16-Jun-21	16-Sep-21	7.15%	679,236	10,064	1,961	669,172
Pak Oman Investment Company Limited	16-Jun-21	16-Sep-21	7.15%	200,158	2,966	578	197,192
Pak Brunei Investment Company Limited	17-Jun-21	17-Sep-21	7.20%	679,464	10,268	1,843	669,196
Pak Brunei Investment Company Limited	17-Jun-21	17-Sep-21	7.20%	200,227	3,026	543	197,201
Pak Brunei Investment Company Limited	17-Jun-21	17-Sep-21	7.20%	169,576	2,563	460	167,013
Pak Kuwait Investment Company (Pvt.) Limited	18-Jun-21	20-Sep-21	7.15%	679,852	10,592	1,700	669,260
Pak Kuwait Investment Company (Pvt.) Limited	18-Jun-21	20-Sep-21	7.15%	200,343	3,121	501	197,222
Pak Kuwait Investment Company (Pvt.) Limited	18-Jun-21	20-Sep-21	7.15%	169,676	2,644	424	167,032
				<b>5,567,551</b>	<b>59,476</b>	<b>40,014</b>	<b>3,892,285</b>

#### 5.2.1.2 These Bai Muajjal transaction balances have arisen on the sale of K-Electric Commercial Papers.

### 5.2.2 TERM DEPOSIT RECEIPTS

This represents Term Deposit Receipts (TDR) placed with Faysal Bank Limited (Islamic Banking) and Askari Bank Limited maturing between 12 July 2021 and 14 September 2021, carrying markup at the rates ranging between 7.25% to 7.05% per annum respectively.

	Note	30 June	30 June
		2021	2020
(Rupees in '000)			
<b>6 MARKUP RECEIVABLE ON INVESTMENTS AND BANK BALANCE</b>			
Markup on profit and loss sharing accounts		49,918	347
Sukuk certificates		4,802	12
Markup on term deposit receipts		9,442	-
Government securities		-	2,614
		<b>64,162</b>	<b>2,973</b>
<b>7 ADVANCE DEPOSITS AND PREPAYMENTS</b>			
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	7.1	2,750	2,750
Security deposit with Central Depository Company of Pakistan Limited (CDC)	7.2	100	100
Advance tax	7.3	1,364	1,364
Prepayments		-	97
		<b>4,214</b>	<b>4,311</b>

7.1 This represents deposit with NCCPL in respect of trading of listed securities.

7.2 This represents deposit with CDC on account of initial deposit for opening of investor account for electronic transfer of book-entry securities.

7.3 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. The amount of withholding tax deducted on markup on bank deposits and MTS income has been shown as advance tax as at 30 June 2021, in the opinion of the management, the amount of tax deducted at source will be refunded.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

8	<b>PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>	<i>Note</i>	<b>30 June 2021</b>	30 June 2020
			----- (Rupees in '000) -----	
	Management remuneration payable	8.1	-	196
	Sindh Sales Tax payable on management remuneration		-	26
	Sales load payable		-	15
	Payable against allocated expenses	8.2	-	12
	Payable against selling and marketing expenses	8.2	-	290
	Shahriah Fee Payable		<b>60</b>	-
			<b>60</b>	<b>539</b>

**8.1** Under the provision of the Non-Banking Finance Companies and Notified Entities Regulations 2008, the Management Company is entitled to a remuneration for services rendered to the Fund. The current level of management fee is up to the 15% of the gross earning of the Fund, calculated on a daily basis. The management remuneration have been charged to the Fund from 1 July 2020 till 20 August 2020, from 3 December 2020 to 31 January 2021 and from 12 February 2021 to 31 May 2021.

**8.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Moreover, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has allocated the expenses to the Fund up to 20 August 2020 only (the effective date of the conversion of the Fund), subject to the actual expense not being higher than the allocated expenses. In a similar manner, the selling and marketing expenses have also been charged up to 20 August 2020 (the effective date of the conversion of the Fund).

**8.3** At 30 June 2021 Rs. 1.84 million (30 June 2020: Nil) was due from the management company, representing the expenses (trustee fee, shariah advisor fee, audit fee and SECP fee) of the Fund reimbursable by the said management company. Refer note 9.1 and 10.1 also.

9	<b>PAYABLE TO DIGITAL CUSTODIAN COMPANY (FORMERLY MCB FINANCIAL SERVICES LIMITED) - TRUSTEE</b>	<i>Note</i>	<b>30 June 2021</b>	30 June 2020
			----- (Rupees in '000) -----	
	Trustee remuneration payable	9.1	<b>724</b>	41
	Sindh Sales Tax payable on trustee remuneration		<b>94</b>	5
			<b>818</b>	<b>46</b>

**9.1** The Trustee, Digital Custodian Company Limited (formerly MCB Financial Services Limited), a related party is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is 500,000 per annum or 0.12% per annum of net asset, whichever is higher. After the conversion of the Fund, trustee Fee has been changed to 0.065% of average daily Net Assets.

During the year trustee fee was borne by the Fund from 01 July 2020 to 20 August 2020 and from 12 February 2021 to 31 March 2021. The trustee fee for the period from 21 August 2020 to 11 February 2021 and from 01 April 2021 to 30 June 2021 is being borne by the management company. Since the amount for the above later periods was paid by the Fund, a corresponding balance receivable from the Fund has been reflected in note 8.3 above.

10	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>	<i>Note</i>	<b>30 June 2021</b>	30 June 2020
			----- (Rupees in '000) -----	
	Annual fee payable to SECP	10.1	<b>1,211</b>	36

**10.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated 28 June 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets for the year. Previously the rate was 0.095% of average net assets in accordance with the regulation 62 of the NBFC Regulation 2008.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

During the year SECP fee was borne by the Fund from 01 July 2020 to 20 August 2020 and from 12 February 2021 to 31 March 2021. The SECP fee for the period from 21 August 2020 to 11 February 2021 and from 01 April 2021 to 30 June 2021 is being borne by the management company. Since the amount for the above later periods was paid by the Fund, a corresponding balance receivable from the Fund has been reflected in note 8.3 above.

	<i>Note</i>	<b>30 June 2021</b>	30 June 2020
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		----- (Rupees in '000) -----	
Provision against Sindh Workers' Welfare Fund	11.1	<b>10,909</b>	2,745
Provision for Federal Excise Duty:	11.2		
- Management fee		<b>3,625</b>	3,625
- Sales load		<b>841</b>	841
Brokerage payable		<b>18</b>	50
Auditors' remuneration payable		<b>386</b>	432
Donation Payable		<b>277</b>	-
WHT payable on dividend paid (subsequently paid)		<b>4,536</b>	-
Others		<b>80</b>	451
		<b>20,672</b>	<b>8,144</b>

## 11.1 Provision for Sindh Workers' Welfare Fund (SWWF)

Provision for Sindh Workers' Welfare Fund (SWWF) is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017, against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the Mutual funds to register and pay SWWF for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management Company had recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015).

Subsequent to the year ended 30 June 2021, SRB, through its letter dated 12 August 2021 received by MUFAP on 13 August 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level on 13 August 2021 and was also taken up with the SECP by the Asset Management Companies. In the light of the clarification issued by SECP, the MUFAP recommended to its members that effective from 13 August 2021, SWWF recognised earlier should be reversed. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Funds

The total provision for SWWF till 30 June 2021 is Rs: 10.9 million. Had the provision not being made, the net asset value per unit as at 30 June 2021 would have been higher by Rs.0.07 (30 June 2020 Re.1.7931) per unit

## 11.2 Federal Excise Duty and related tax payable

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016. During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.841 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 0.01 (30 June 2020: Rs.0.55) per unit.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2021 and 30 June 2020.

13 MARKUP / RETURN ON INVESTMENTS	Note	30 June 2021	30 June 2020
----- (Rupees in '000) -----			
Term Deposit Receipts		18,537	-
Sukuk certificates - unlisted		14,211	4,428
GOP Ijara		129	154
Government securities - Market Treasury Bills		78	5,875
Government securities - Pakistan Investment Bonds		480	1,199
Bai Muajjal	5.2.1	40,013	-
Commercial papers		35,951	-
		<u>109,399</u>	<u>11,656</u>

## 14 UNREALISED APPRECIATION ON RE-MEASUREMENT OF INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - NET

Government securities - Pakistan Investment Bonds	5.1.1	-	364
Sukuk certificates - Unlisted	5.1.3	-	7
		<u>-</u>	<u>371</u>

## 15 AUDITORS' REMUNERATION

Annual audit fee		340	340
Half yearly review fee		170	170
Other certifications		-	50
Out of pocket expenses		25	97
		<u>535</u>	<u>657</u>
Reimbursement from Asset Management Company	15.1	(447)	-
		<u>88</u>	<u>657</u>

15.1 This represents reimbursement from the Asset Management Company

## 16 CHARITY EXPENSE

This represents the haram income allocated out of the markup on bank balances for charity and donation.

## 17 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at 30 June 2021 is 0.26% (30 June 2020: 4.10%) which includes 0.12% (30 June 2020: 0.38%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, annual fee to SECP etc.

## 18 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, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management has distributed at least 90% of income earned during current year to the unit holders, therefore, no provision for taxation has been recorded in these financial statements.

## 19 EARNINGS PER UNIT

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

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Trust Deed of the Fund. Allocation of cost by the Management Company is in accordance with the provisions of the NBFC regulations. Other transactions with connected persons / related parties are carried at contracted rates.

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

## 20.1 Transactions during the year with connected persons / related parties in the units of the Fund:

	As at	Issued	Bonus	Redeemed	As at 30 June	As at	Issued	Bonus	Redeemed	As at 30 June
	01 July 2020	for cash			2021	01 July 2020	for cash			2021
	----- (Units) -----					----- (Rupees in '000) -----				
<b>Associated company</b>										
MCB Arif Habib savings and Investments Limited	-	18,763,729	-	18,763,729	-	-	1,867,665	-	1,867,631	-
Adamjee Insurance Company Limited Employees Gratuity fund	-	198,378	-	198,378	-	-	19,741	-	19,741	-
Adamjee Insurance Company Limited Employees Provident Fund	-	396,424	-	396,424	-	-	39,448	-	39,448	-
Adamjee Life Assurance Company Limited - Tameem	-	1,158,878	-	1,158,878	-	-	115,320	-	115,320	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	540,682	-	540,682	-	-	53,803	-	53,803	-
<b>Key management personnel</b>	-	1,198,274	-	1,183,563	14,711	-	119,192	-	117,838	1,464
<b>Mandate under discretionary portfolio services</b>	-	82,981,267	-	82,981,263	4	-	8,263,652	-	8,268,065	0.40
<b>Unitholders holding - 10% or more</b>	527,616	126,224,538	-	14,355,372	112,396,782	52,503	12,560,604	-	1,428,503	11,184,604

## 20.2 Details of transactions with related parties / connected persons during the year

30 June 2021      30 June 2020  
----- (Rupees in '000) -----

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

Remuneration including indirect taxes	3,981	3,294
Allocated expenses and related taxes	21	178
Selling and marketing expenses	165	1,201
Shariah advisory expenses	216	-

### Digital Custodian Company (Formerly MCB Financial Services Limited) - Trustee

Remuneration including indirect taxes	2,868	566
Settlement Charges	266	-

### MCB Bank Limited - Parent of the Management Company

Bank charges	1	39
Markup on deposit with the bank	28	337

## 20.3 Details of balances with related parties / connected persons as at year end

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

Management remuneration payable	-	196
Sindh Sales Tax payable on management remuneration	-	26
Payable against allocated expenses	-	12
Payable against selling and marketing expenses	-	290
Sales load payable	-	15
Shahriah fee payable	60	-
Receivable from Management Company	1,844	-

### Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)

Trustee remuneration payable	724	32
Sindh Sales Tax payable on trustee remuneration	94	5

### MCB Bank Limited - Parent of the Management Company

Bank balances	1,904	2,509
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 21 FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

The fund primarily invests in portfolio of money market investments such as Government securities and investment in other money market instruments.

### 21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and the regulations laid down by the SECP, the NBFC regulations and the NBFC rules.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

#### 21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

#### 21.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of 30 June 2021, the Fund is exposed to such risk on bank balances and investment in sukuk certificates, Pakistan investment bonds, market treasury bills, commercial papers, term deposit receipts and sukuk certificates - unlisted. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

The interest rate risk profile of the Fund, as a result of investment in financial instruments is as follows:

	<i>Note</i>	<b>30 June 2021</b>	30 June 2020
----- (Rupees in '000) -----			
<b>Fixed rate instruments (financial assets)</b>			
Government securities - Pakistan Investment Bonds	5.1.1	-	104,258
Sukuk certificates - unlisted	5.1.3	352,000	585
Term Deposit Receipts	5.2.2	2,600,000	-
Bai Muajjal	5.2.1	3,892,285	-
Commercial papers - unlisted	5.1.4	1,278,407	-
		<b>8,122,692</b>	104,843

The above instruments are KIBOR linked, however there interest rates are not expected to change during tenure of the instrument.

#### Variable rate instrument (financial asset)

Bank balance	4	7,092,512	41,238
		<b>7,092,512</b>	41,238

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which are variable rate instruments exposing the fund to cash flow interest rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs 70.93 million (30 June 2020: Rs. 0.042 million).

#### b) Sensitivity analysis for fixed rate instruments

The Fund does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect income statement.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

Particulars	As at 30 June 2021					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees in '000)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	6.5 to 7.83	7,092,512	-	-	-	7,092,512
Investments classified as:						
at fair value through profit or loss'	8.76	-	1,630,407	-	-	1,630,407
Investments at amortized cost	7.25 to 7.05	-	6,492,285	-	-	6,492,285
Markup receivable		-	-	-	64,162	64,162
Receivable from Management Company		-	-	-	1,844	1,844
Deposits		-	-	-	2,850	2,850
		<u>7,092,512</u>	<u>8,122,692</u>	<u>-</u>	<u>68,856</u>	<u>15,284,060</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	60	60
Payable to the Trustee		-	-	-	818	818
Accrued expenses and other liabilities		-	-	-	761	761
Dividend payable		-	-	-	5,033	5,033
		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,672</u>	<u>6,672</u>
<b>On-balance sheet gap</b>		<u>7,092,512</u>	<u>8,122,692</u>	<u>-</u>	<u>62,184</u>	<u>15,277,388</u>
<b>Total interest rate sensitivity gap</b>		<u>7,092,512</u>	<u>8,122,692</u>	<u>-</u>	<u>62,184</u>	<u>15,277,388</u>
<b>Cumulative interest rate sensitivity gap</b>		<u>7,092,512</u>	<u>15,215,204</u>			

Particulars	As at 30 June 2020					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees in '000)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	6.5 - 7.83	41,238	-	-	2,509	43,747
Investments	9 - 9.5	-	-	104,843	-	104,843
Markup receivable		-	-	-	2,973	2,973
Deposits		-	-	-	5,180	5,180
Receivable from NCCPL		-	-	-	2,850	2,850
		<u>41,238</u>	<u>-</u>	<u>104,843</u>	<u>13,512</u>	<u>159,593</u>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	803	803
Payable to the Trustee		-	-	-	41	41
Accrued expenses and other liabilities		-	-	-	681	681
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,525</u>	<u>1,525</u>
<b>On-balance sheet gap</b>		<u>41,238</u>	<u>-</u>	<u>104,843</u>	<u>11,987</u>	<u>158,068</u>
<b>Total interest rate sensitivity gap</b>		<u>41,238</u>	<u>-</u>	<u>104,843</u>	<u>11,987</u>	<u>158,068</u>
<b>Cumulative interest rate sensitivity gap</b>		<u>41,238</u>	<u>41,238</u>	<u>146,081</u>		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Since the Fund does not hold equity securities as at 30 June 2021 (30 June 2020: Nil), hence it is not exposed to equity price risk.

## 21.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments in sukuk certificates, bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	30 June 2021		30 June 2020	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----				
Bank balances (including term deposit receipts)	9,692,512	9,692,512	43,747	43,747
Investments (excluding term deposit receipts)	5,522,692	8,122,692	104,843	585
Markup receivable on investments and bank balance	64,162	64,162	2,973	359
Deposits	2,850	2,850	2,850	2,850
Receivable from National Clearing Company of Pakistan Limited	-	-	5,180	5,180
Receivable from Management Company	1,844	1,844	-	-
	<u>15,284,060</u>	<u>17,884,060</u>	<u>159,593</u>	<u>52,721</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities is Rs. Nil million (30 June 2020: 104.843 million) including markup receivables on such securities of Rs. Nil (30 June 2020: Rs. 2.614 million) is not exposed to credit risk.

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at 30 June 2021.

### Bank Balances (including term deposit receipts) by rating category

Rating	30 June 2021		30 June 2020	
	Rupees in '000	%	Rupees in '000	%
AAA	6,732,061	69.46%	27,333	62.48%
AA+	11	0.00%	16,375	37.43%
AA-	-	0.00%	14	0.03%
A1+	2,600,000	26.82%	-	0.00%
AA	360,440	3.72%	10	0.02%
A	-	0.00%	15	0.04%
A-	-	0.00%	-	0.00%
	<u>9,692,512</u>	<u>100.00%</u>	<u>43,747</u>	<u>100.00%</u>

### Investments (excluding term deposit receipts) by rating category

Rating	30 June 2021		30 June 2020	
	Rupees in '000	%	Rupees in '000	%
A1+	1,630,407	29.52%	20,979	20.01%
AA	958,997	17.36%	61,135	58.31%
AA+	2,933,288	53.11%	22,729	21.68%
	<u>5,522,692</u>	<u>100.00%</u>	<u>104,843</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formerly JCR-VIS Credit Rating Company Limited) as of June 30, 2021.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industrial distributions are as follows:

	2021		2020	
	Rupees in '000	%	Rupees in '000	%
Commercial banks (including investments and profit due)	13,644,157	89.3%	44,094	0.3%
National Clearing Company of Pakistan Limited - security deposit	2,750	0.0%	7,930	0.1%
Central Depository Company of Pakistan Limited - security deposit	100	0.0%	100	0.0%
Power generation and distribution - investments	1,635,209	10.7%	-	0.0%
Investment and securities companies - Management Company	1,844	0.0%	-	0.0%
Government	-	0.0%	107,469	0.7%
	<b>15,284,060</b>	<b>100%</b>	<b>159,593</b>	<b>1%</b>

## Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using central clearing system.

## 21.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Within 1 month	Over 3 to 12 months	Over 1 to 5 years	Total
<b>30 June 2021</b>	----- (Rupees in '000) -----			
<b>Financial assets</b>				
Bank balances	7,092,512	-	-	7,092,512
Investments	-	8,122,692	-	8,122,692
Markup receivable	64,162	-	-	64,162
Receivable from Management Company	1,844	-	-	1,844
Deposits	2,850	-	-	2,850
	<b>7,161,368</b>	<b>8,122,692</b>	<b>-</b>	<b>15,284,060</b>
<b>Financial liabilities</b>				
Payable to the Management Company	60	-	-	60
Dividend Payable	5,033	-	-	5,033
Accrued expenses and other liabilities	761	-	-	761
Payable to the trustee	818	-	-	818
	<b>6,672</b>	<b>-</b>	<b>-</b>	<b>6,672</b>
	<b>7,154,696</b>	<b>8,122,692</b>	<b>-</b>	<b>15,277,388</b>
<b>30 June 2020</b>	----- (Rupees in '000) -----			
<b>Financial assets</b>				
Bank balances	43,747	-	-	43,747
Investments	-	104,843	-	104,843
Markup receivable	2,973	-	-	2,973
Deposits	2,850	-	-	2,850
Receivable from National Clearing Company of Pakistan Limited	5,180	-	-	5,180
	<b>54,750</b>	<b>104,843</b>	<b>-</b>	<b>159,593</b>
<b>Financial liabilities</b>				
Payable to the Management Company	803	-	-	803
Payable to the Trustee	41	-	-	41
Accrued expenses and other liabilities	933	-	-	933
	<b>1,777</b>	<b>-</b>	<b>-</b>	<b>1,777</b>
	<b>52,973</b>	<b>104,843</b>	<b>-</b>	<b>157,816</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 22 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 date. 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

**Level 3** : those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

		30 June 2021		
		Carrying amount		
		Amortised Cost	Fair value through profit or loss	Total
Note		----- (Rupees in '000) -----		
<b>Financial assets measured at fair value</b>				
	22.1			
Sukuk certificates - Unlisted		-	352,000	352,000
Commercial papers		-	1,278,407	1,278,407
		<u>-</u>	<u>1,630,407</u>	<u>1,630,407</u>
<b>Financial assets not measured at fair value</b>				
	22.1			
Bank balances		7,092,512	-	7,092,512
Receivable from Management Company		1,844	-	1,844
Term Deposit Receipts		2,600,000	-	2,600,000
Bai Muajjal		3,892,285	-	3,892,285
Markup receivable on investments and bank balance		64,162	-	64,162
Advances, Deposits and Prepayments		2,850	-	2,850
		<u>13,653,653</u>	<u>-</u>	<u>13,653,653</u>
<b>Financial liabilities not measured at fair value</b>				
	22.1			
Payable to the Management Company		60	-	60
Payable to the Trustee		818	-	818
Dividend Payable		5,033	-	5,033
Accrued expenses and other liabilities		761	-	761
		<u>6,672</u>	<u>-</u>	<u>6,672</u>
		-----		
		30 June 2020		
		Carrying amount		
		Amortised Cost	Fair value through profit or loss'	Total
Note		----- (Rupees in '000) -----		
<b>Financial assets measured at fair value</b>				
	22.1			
Pakistan Investment Bonds		-	104,258	104,258
Sukuk certificates - Unlisted		-	585	585
		<u>-</u>	<u>104,843</u>	<u>104,843</u>
<b>Financial assets not measured at fair value</b>				
	22.1			
Bank balances		43,747	-	43,747
Markup receivable		2,973	-	2,973
Deposits		2,850	-	2,850
Receivable from National Clearing Company of Pakistan Limited		5,180	-	5,180
		<u>54,750</u>	<u>-</u>	<u>54,750</u>
<b>Financial liabilities not measured at fair value</b>				
	22.1			
Payable to the Management Company		513	-	513
Payable to the Trustee		41	-	41
Accrued expenses and other liabilities		681	-	681
		<u>1,235</u>	<u>-</u>	<u>1,235</u>

22.1 The Fund has not disclosed the fair values for these 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 value.

During the year ended 30 June 2021, there were no transfers between levels fair value measurements, and no transfer into and out of level 3 fair value measurements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, particulars of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

### 23.1 UNIT HOLDERS PATTERN

	As at 30 June 2021			
	Number of unit holders	Number of units	Investment amount (Rupees in	Percentage investment %
Individuals	424	5,940,818	591,171	3.87%
Insurance Companies	5	708,176	70,471	0.46%
Corporates	16	117,889,913	11,731,225	76.89%
Retirement Fund	5	1,206,554	120,064	0.79%
Others	5	27,582,147	2,744,699	17.99%
	<b>455</b>	<b>153,327,608</b>	<b>15,257,630</b>	<b>100.00%</b>

	As at 30 June 2020			
	Number of unit holders	Number of units	Investment amount (Rupees in	Percentage investment %
Individuals	82	1,530,931	152,343	100.00%
	<b>82</b>	<b>1,530,931</b>	<b>152,343</b>	<b>100.00%</b>

### 23.2 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

Name	Designation	Experience in years	Qualification
Muhammad Saqib Saleem	Chief Executive Officer	22.5	FCA & FCCA
Awais Abdul Sattar	Head Of Research	11	MBA & CFA
Muhammad Asim	Chief Investment Officer	17	MBA & CFA
Saad Ahmed	Head Of Fixed Income	16	MBA
Usama Iqbal	Fund Manager	17	B.Com

### 23.3 Mr. Awais Abdul Sattar is the fund manager. Details of the other funds being managed by him are as follows:

- Alhamra Islamic Asset Allocation Fund;
- Alhamra Islamic Stock Fund; and
- Alhamra Islamic Pension Fund.

### 23.4 TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		30 June 2021 (Percentage)
1	Paramount Capital (Private) Limited	87.42%
2	Continental Exchange (Private) Limited	7.55%
3	Js Global Capital Limited	2.52%
4	Magenta Capital Ltd	2.52%
		30 June 2020 (Percentage)
1	Next Capital Limited	25.34%
2	Currency Market Associate	25.32%
3	BMA Capital Management Limited	18.40%
4	Continental Exchange (Private) Limited	9.62%
5	Invest One Markets (Private) Limited	8.57%
6	Paramount Capital (Private) Limited	6.84%
7	C & M Management (Private) Limited	2.27%
8	Icon Securities (Private) Limited	2.01%
9	Pearl Securities Limited	0.85%
10	Vector Capital (Private) Limited	0.52%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

## 23.5 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 157th, 158th, 159th, 160th, 161st, 162nd, 163rd, 164th, 165th 166th and 167th meeting of the Board of Directors were held on July 27, 2020, August 10, 2020, August 18, 2020, October 23, 2020, November 17, 2020, December 14, 2020, February 08, 2021, April 16, 2021, May 04, 2021, June 02, 2021 and June 28, 2021 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of persons attending the meetings	Designation	Number of Meetings Held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave Granted	
Mr. Haroun Rashid	Chairman	11	11	11	-	-
Mr. Nasim Beg	Director	11	11	11	-	-
Mr. Ahmed Jahangir	Director	11	11	11	-	-
Mr. Mirza Qamar Beg	Director	11	11	11	-	-
Syed Savail Meekal Hussain	Director	11	11	11	-	-
Mr. Kashif A. Habib	Director	11	11	10	1	165
Ms. Mavra Adil Khan	Director	11	11	8	3	159,163 & 167
Mr. Muhammad Saqib Saleem	Chief Executive Officer	11	11	11	-	-

## 24 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

## 25 DISTRIBUTIONS MADE DURING THE YEAR

	Refund of capital	Distribution from income	Total distribution
	----- (Rupees in '000) -----		
Distribution up to 22 November 2020	492	4,505	4,997
Daily distribution from 23 November 2020 till 30 June 2021*	-	390,176	390,176
	<u>492</u>	<u>394,681</u>	<u>395,173</u>

\* The Fund makes distribution on daily basis as per clause 5.1 of the Offering Document from 23 November 2020.

## 26 DATE OF AUTHORISATION FOR ISSUE

These Financial Statements were authorized for issue on August 09, 2021 by the Board of Directors of the Management Company and further amended on September 15, 2021 to incorporate the subsequent event as disclosed in note 11.1 to these financial statements.

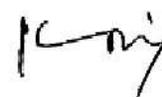
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE  
FOR THE YEAR ENDED JUNE 30, 2021**

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No. of Unit Holders	Unit Holdings	Total Units Held
180	001-10,000	3,695
57	10,001 – 100,000	21,829
94	100,001 – 1,000,000	393,822
124	1,000,001+	152,908,262
<b>455</b>		<b>153,327,608</b>

## PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2021

Performance Information	2021	2020	2019	2018	2017
Total Net Assets Value – Rs. in million	15,257.6302	152.3430	256.0000	487.0000	899.5958
Net Assets value per unit – Rupees	99.5100	99.5100	102.1021	101.2718	101.4252
Closing Offer Price	100.6345	102.8834	105.5634	104.7079	104.8635
Closing Repurchase Price	99.5100	99.5100	102.1021	101.2718	101.4252
Highest offer price per unit	101.5166	106.8018	105.9200	105.0132	105.6672
Lowest offer price per unit	99.9390	102.4638	104.3033	104.1055	103.3996
Highest Redemption price per unit	100.3823	103.2999	102.4470	101.5700	102.0851
Lowest Redemption price per unit	98.8223	99.1042	100.8834	100.6920	99.8944
Distribution per unit – Rs. *		-	6.5080	4.6033	4.2491
<b>Average Annual Return - %</b>					
One year (inception date Nov 16, 2015)	6.68	4.40	7.48	4.50	5.54
Two year	5.54	5.94	5.99	5.02	4.54
Three year	6.19	5.46	5.84	4.53	N/a
Net Income / (loss) for the period – Rs. in million	399.9900	9.033	22.7000	28.5312	53.4030
Distribution made during the year – Rs. in million	399.9900	12.9120	20.7000	30.7397	43.6470
Accumulated Capital Growth – Rs. in million	-	(3.9723)	2.0000	(2.2085)	9.7560

\* Date of Distribution

2021				
Date	Rate	Date	Rate	
November 23, 2020	0.892	March 13, 2021	0.0179	
November 24, 2020	0.0197	March 14, 2021	0.0179	
November 25, 2020	0.0194	March 15, 2021	0.0179	
November 26, 2020	0.0196	March 16, 2021	0.018	
November 27, 2020	0.0219	March 17, 2021	0.018	
November 28, 2020	0.0223	March 18, 2021	0.018	
November 29, 2020	0.0223	March 19, 2021	0.0181	
November 30, 2020	0.0223	March 20, 2021	0.019	
December 1, 2020	0.017	March 21, 2021	0.018	
December 2, 2020	0.0189	March 22, 2021	0.018	
December 3, 2020	0.0185	March 23, 2021	0.0181	
December 4, 2020	0.023	March 24, 2021	0.0181	
December 5, 2020	0.0195	March 25, 2021	0.018	
December 6, 2020	0.0193	March 26, 2021	0.018	
December 7, 2020	0.0193	March 27, 2021	0.018	
December 8, 2020	0.0191	March 28, 2021	0.0181	
December 9, 2020	0.0184	March 29, 2021	0.018	
December 10, 2020	0.0176	March 30, 2021	0.018	
December 11, 2020	0.0176	March 31, 2021	0.0181	
December 12, 2020	0.0177	April 1, 2021	0.0178	
December 13, 2020	0.0177	April 2, 2021	0.0179	
December 14, 2020	0.0177	April 3, 2021	0.0182	
December 15, 2020	0.0178	April 4, 2021	0.018	
December 16, 2020	0.0177	April 5, 2021	0.018	
December 17, 2020	0.0177	April 6, 2021	0.018	
December 18, 2020	0.0177	April 7, 2021	0.0182	
December 19, 2020	0.0176	April 8, 2021	0.0181	
December 20, 2020	0.0176	April 9, 2021	0.0181	
December 21, 2020	0.0176	April 10, 2021	0.0181	
December 22, 2020	0.0178	April 11, 2021	0.0181	
December 23, 2020	0.0202	April 12, 2021	0.0181	
December 24, 2020	0.0177	April 13, 2021	0.018	
December 25, 2020	0.0176	April 14, 2021	0.0181	
December 26, 2020	0.0176	April 15, 2021	0.0181	
December 27, 2020	0.0176	April 16, 2021	0.0181	
December 28, 2020	0.0176	April 17, 2021	0.0181	
December 29, 2020	0.0176	April 18, 2021	0.0181	
December 30, 2020	0.0182	April 19, 2021	0.0181	
December 31, 2020	0.0177	April 20, 2021	0.018	
January 1, 2021	0.0177	April 21, 2021	0.0179	
January 2, 2021	0.0177	April 22, 2021	0.0183	
January 3, 2021	0.0176	April 23, 2021	0.0179	
January 4, 2021	0.0176	April 24, 2021	0.0179	
January 5, 2021	0.0177	April 25, 2021	0.0179	
January 6, 2021	0.0179	April 26, 2021	0.0179	
January 7, 2021	0.0185	April 27, 2021	0.0179	
January 8, 2021	0.018	April 28, 2021	0.0179	
January 9, 2021	0.0179	April 29, 2021	0.0179	
January 10, 2021	0.0179	April 30, 2021	0.0178	
January 11, 2021	0.0179	May 1, 2021	0.0178	
January 12, 2021	0.0179	May 2, 2021	0.0178	
January 13, 2021	0.0177	May 3, 2021	0.0178	
January 14, 2021	0.0176	May 4, 2021	0.0178	
January 15, 2021	0.0176	May 5, 2021	0.018	
January 16, 2021	0.0175	May 6, 2021	0.0179	
January 17, 2021	0.0175	May 7, 2021	0.0177	
January 18, 2021	0.0175	May 8, 2021	0.0181	
January 19, 2021	0.0174	May 9, 2021	0.0181	

2020	
Date	Rate
Nil	

2019	
Date	Rate
3-Jul-18	0.428
July 31, 2018	0.514
August 31, 2018	0.5145
October 31, 2018	0.515
November 30, 2018	0.5405
January 31, 2019	0.6001
February 28, 2019	0.5825
March 29, 2019	0.623
April 30, 2019	0.752
May 31, 2019	0.671
June 27, 2019	0.7674

2018	
Date	Rate
July 31, 2017	0.4310
August 31, 2017	0.4305
September 30, 2017	0.4150
October 31, 2017	0.4290
November 30, 2017	0.4140
January 1, 2018	0.4138
January 31, 2018	0.4135
February 28, 2018	0.3865
March 31, 2018	0.4280
April 30, 2018	0.4140
May 31, 2018	0.4280

2017	
Date	Rate
August 01, 2016	0.5096
August 31, 2016	0.5096
September 30, 2016	0.4935
November 30, 2016	0.4119
January 02, 2017	0.5130
January 31, 2017	0.5160
April 30, 2017	0.4165
May 31, 2017	0.4590
June 30, 2017	0.4200

## PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2021

2021			
Date	Rate	Date	Rate
January 20, 2021	0.0177	May 10, 2021	0.0181
January 21, 2021	0.0177	May 11, 2021	0.0181
January 22, 2021	0.0177	May 12, 2021	0.0181
January 23, 2021	0.0178	May 13, 2021	0.018
January 24, 2021	0.0178	May 14, 2021	0.0181
January 25, 2021	0.0178	May 15, 2021	0.0172
January 26, 2021	0.0177	May 16, 2021	0.0181
January 27, 2021	0.0177	May 17, 2021	0.0181
January 28, 2021	0.0177	May 18, 2021	0.0181
January 29, 2021	0.016	May 19, 2021	0.0198
January 30, 2021	0.0175	May 20, 2021	0.0179
January 31, 2021	0.0175	May 21, 2021	0.0179
February 1, 2021	0.0175	May 22, 2021	0.018
February 2, 2021	0.0185	May 23, 2021	0.018
February 3, 2021	0.0175	May 24, 2021	0.018
February 4, 2021	0.0175	May 25, 2021	0.0179
February 5, 2021	0.0175	May 26, 2021	0.018
February 6, 2021	0.0175	May 27, 2021	0.0179
February 7, 2021	0.0175	May 28, 2021	0.0179
February 8, 2021	0.0175	May 29, 2021	0.0179
February 9, 2021	0.0176	May 30, 2021	0.0179
February 10, 2021	0.0174	May 31, 2021	0.0179
February 11, 2021	0.018	June 1, 2021	0.0179
February 12, 2021	0.0177	June 2, 2021	0.0179
February 13, 2021	0.0175	June 3, 2021	0.0179
February 14, 2021	0.0175	June 4, 2021	0.0179
February 15, 2021	0.0175	June 5, 2021	0.018
February 16, 2021	0.0173	June 6, 2021	0.018
February 17, 2021	0.0176	June 7, 2021	0.018
February 18, 2021	0.0173	June 8, 2021	0.018
February 19, 2021	0.0176	June 9, 2021	0.0179
February 20, 2021	0.0175	June 10, 2021	0.0179
February 21, 2021	0.0175	June 11, 2021	0.018
February 22, 2021	0.0175	June 12, 2021	0.018
February 23, 2021	0.0175	June 13, 2021	0.0182
February 24, 2021	0.0175	June 14, 2021	0.0182
February 25, 2021	0.0175	June 15, 2021	0.0182
February 26, 2021	0.0175	June 16, 2021	0.0185
February 27, 2021	0.0175	June 17, 2021	0.0186
February 28, 2021	0.0175	June 18, 2021	0.0191
March 1, 2021	0.0175	June 19, 2021	0.0191
March 2, 2021	0.0174	June 20, 2021	0.0192
March 3, 2021	0.0177	June 21, 2021	0.0192
March 4, 2021	0.0173	June 22, 2021	0.019
March 5, 2021	0.0179	June 23, 2021	0.0189
March 6, 2021	0.0177	June 24, 2021	0.0191
March 7, 2021	0.0177	June 25, 2021	0.0188
March 8, 2021	0.0177	June 26, 2021	0.0188
March 9, 2021	0.0177	June 27, 2021	0.019
March 10, 2021	0.0177	June 28, 2021	0.019
March 11, 2021	0.0177	June 29, 2021	0.0192
March 12, 2021	0.0176	June 30, 2021	0.019

**Disclaimer**

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

**MCB-Arif Habib Savings and Investments Limited**

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