



MCB-ARIF HABIB
Savings and Investments Limited

AM1
by PACRA

HALF YEARLY REPORT

DECEMBER
2020
(UNAUDITED)

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



ALHAMRA ISLAMIC MONEY MARKET FUND
(FORMERLY : MCB PAKISTAN FREQUENT PAYOUT FUND)

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Digital Custodian Company Limited (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	
Bankers	MCB Bank Limited Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited National Bank Limited	
Auditors	KPMG Chartered Accountants Sheikh Sultan Trust Building, Ground No. 2, Beaumont Road, Civil Lines, Karachi. Ph: 021-37131900	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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 half year ended December 31, 2020.

Economy and Money Market Review

The first half of fiscal year 2021 has been promising, as economic activities have swung up in full throttle though challenges from Covid may continue to remain in the near term. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. Covid-19 has not been as detrimental as initially expected and perhaps local demographics and a successful strategy by the government has been able to wither the storm. We therefore expect economic growth to be better than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of ~17% over last year in the first half of FY21. Sales of 2 and 3 wheeler units rose at a more impressive rate of ~19% over last year reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by near 10% over last year during the half implying a broad based recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by ~7.4% in first five months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 997 million in the first half of fiscal year compared to a deficit of USD 2,032 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances, which grew at a stupendous rate of 25% during the period. Foreign exchange reserves of central bank saw an increase of ~USD 1.3 billion during the half due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged ~8.6% over last year during the first six months, with food inflation averaging ~13% during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged ~5.9% for the period. Monetary Policy Committee maintained status quo 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 the economy started to open up, tax collection also improved and grew by 5% during the first half of the fiscal year and almost met the desired target for the period. Fiscal deficit for the first five months of the period clocked in at 1.8% of GDP, compared to 1.6% of GDP last year. Primary balance was even better at a surplus of 0.5% of GDP compared to last year surplus of 0.3% of GDP.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3, 5 and 10 Year bonds saw a rise of 74 bps, 114 bps and 129 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund posted a return of 6.44*% compared to the benchmark return of 3.66%. On the equities front, the overall allocation in equity was 0.0%. In addition, the fund's exposure in Cash stood at 88.5%.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Net Assets of the Fund as at December 31, 2020 stood at Rs.4,103 million as compared to Rs.152 million as at June 30, 2020 registering an increase of 2599.34%. The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs.99.5100 as compared to Rs. 99.5100 at June 30, 2020.

****Converted into Islamic money market fund from 21st Aug 2020, hence this reflects performance from this date***

Economy & Market – Future Outlook

GDP growth for FY21 is projected at 2.1% by government and various institutions. Despite the reemergence of Covid cases in the winter season, Pakistan has resiliently kept the growth momentum going. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%.

Balance of Payment worries have subsided for the near term as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the reported data and news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact near 25% growth over last year reported in the first half has surprised everyone. We expect Current Account Deficit to settle near 1% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. However, the recent spike in commodity prices from oil to iron ore, coal, etc. pose downside risks to our favorable stance. With Real Effective Rate for Nov-2020 at 99.4, any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by about USD 550 million from current levels, which will help alleviate any pressure on currency.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 8.5%, slightly lesser than current run rate. Central bank for the first time has provided guidance on interest rates in the short term which will perhaps bring more certainty in investor expectations. The central authority has vowed to keep interest rates stable in the short run and bring in mildly positive interest rates over the medium term. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

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

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 24.0% to PKR 920 billion at the end of the first half of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 30% during the period to PKR 410 billion. Within the money market sphere, the conventional funds dominated as they grew by about 37% to PKR 281 billion. Equity and related funds surged rapidly by 24% from PKR 224 billion to PKR 278 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 24% as at the end of the calendar year.

Mutual Fund Industry Outlook

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

ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem

Chief Executive Officer
February 08, 2021



Nasim Beg

Director / Vice Chairman

ڈائریکٹرز رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے نصف اول کے اختتام پر تقریباً 24.0 فیصد بڑھ کر 920 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 30 فیصد بڑھ کر 410 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 37 فیصد بڑھ کر 281 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 24 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 278 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 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

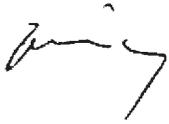
میوچل فنڈ صنعت کے مستقبل کے امکانات

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

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۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر اوائس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
08 فروری 2021ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے *6.44 فیصد منافع پوسٹ کیا جبکہ اس کے بالمقابل مقررہ معیار 3.66 فیصد تھا۔ ایکویٹیز کی جہت میں مجموعی اختصاص 0.0 فیصد تھا۔ علاوہ ازیں، فنڈ کی نقد میں سرمایہ کاری 88.5 فیصد تھی۔

31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 4,103 ملین روپے تھے جو 30 جون 2020ء (152 ملین روپے) کے مقابلے میں 2599.34 فیصد اضافہ ہے۔ 31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) نی یونٹ 99.5100 روپے تھی جو 30 جون 2020ء کو بھی اتنی ہی تھی۔

(*: 21 اگست 2020ء سے اسلاک منی مارکیٹ فنڈ میں تبدیل کردہ، یعنی مذکورہ تاریخ سے کارکردگی کی عکاسی)

معیشت اور بازار - مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ موسم سرما میں کووڈ کے دوبارہ ظہور پذیر ہونے کے باوجود پاکستان نے چک کا مظاہرہ کرتے ہوئے ترقی کی رفتار برقرار رکھی۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ ترقی عمومی توقعات سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگئی ہے۔ ہمیں اُمید ہے کہ معاشی ترقی 2.1 فیصد سے کافی بلند سطح پر بحال ہوگی۔

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہوگئی ہیں کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آ گیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور نصف اول میں سال گزشتہ کے مقابلے میں 25 فیصد ترقی نے سب کو حیران کر دیا ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باآسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم تیل سے لے کر خام لوہے اور کولے تک اشیاء کی قیمتوں میں حالیہ اضافہ ہماری خوش آئند صورتحال کے لیے خطرہ ثابت ہو سکتا ہے۔ نومبر 2020ء کا ریٹیل اِنفیکشن ریٹ 99.4 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبب رفتاری کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر کی موجودہ سطحوں میں مزید 550 ملین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 8.5 فیصد رہے گا جو موجودہ سطح سے کچھ کم ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیعاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے سود کی شرحوں کو مختصر مدت میں مستحکم رکھنے اور درمیانی مدت میں کچھ مثبت کرنے کا عزم کیا ہے۔ اب مرکزی بینک کی راہنمائی کے پیش نظر ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

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

الحمد للہ اسلامک منی مارکیٹ فنڈ (سابقہ: ایم سی بی پاکستان فریکوینٹ پے آؤٹ فنڈ) کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء کو اختتام پذیر ہونے والی ششماہی کے گوشواروں کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کا نصف اول اُمید افزا رہا کیونکہ معاشی سرگرمیوں نے پوری قوت کے ساتھ سر اُٹھایا ہے اگرچہ کووڈ کے باعث پیدا ہونے والی مشکلات قریب المیعا میں برقرار رہیں گی۔ معاشی بحالی توقعات سے تیز تر رہی ہے کیونکہ مالیاتی تسہیل، طلب کی محدودیت اور بہتر ترسیلات نے معاشی ترقی کو محرک فراہم کیا۔ کووڈ-19 اتنا نقصان دہ ثابت نہیں ہوا جتنا اس بارے میں ابتدائی امکانات تھے، اور شاید مقامی آبادی کے اعداد و شمار اور حکومت کے کامیاب لائحہ عمل کی بدولت یہ طوفان پسپا ہو گیا۔ چنانچہ ہم سمجھتے ہیں کہ معاشی ترقی عمومی تخمینوں کے مقابلے میں بہتر رہے گی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گزشتہ شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

مالی سال 2021ء کی پہلی ششماہی میں سینٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو سال گزشتہ سے 17 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے یونٹس کی فروخت میں مزید متاثر کن ترقی ہوئی جو سال گزشتہ سے 19 فیصد زیادہ تھی جس سے متوسط طے کی محرک مالی صورتحال کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم مصنوعات کی طلب میں سال گزشتہ کے مقابلے میں تقریباً 10 فیصد اضافہ ہوا جس سے معیشت میں وسیع البندیا بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں موجودہ مالی سال کے پہلے پانچ ماہ میں 7.4 فیصد ترقی ہوئی ہے۔

مالی سال کے نصف اول میں کرنٹ اکاؤنٹ میں 997 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,032 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات میں اضافہ تھا جن میں دوران مدت 25 فیصد ترقی ہوئی۔ سینٹرل بینک کے زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کی دکھتی رگ بنی رہی کیونکہ ایشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط پہلے چھ ماہ کے دوران 8.6 فیصد تھا، جبکہ ایشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث گندم اور جلد خراب ہو جانے والی ایشیائے خورد و نوش کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش ایشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 5.9 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، مرکزی بینک کووڈ-19 کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے نصف اول کے دوران 5 فیصد اضافہ ہوا جو ہدف برائے مدت کے تقریباً قریب تھا۔ پہلے پانچ ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 1.8 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 1.6 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.5 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا جس کے باعث پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے منٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 74، 114 اور 129 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

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 Restated Trust Deed dated 17th 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 period ended 31st December 2020 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
MCB Financial Services Limited

Karachi: February 11, 2021

AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



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 REVIEW REPORT

To the unit holders of Alhamra Islamic Money Market Fund (Formerly MCB Pakistan Frequent Payout Fund)

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alhamra Islamic Money Market Fund (Formerly MCB Pakistan Frequent Payout Fund)** ("the Fund") as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six month period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of the condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures of the condensed interim financial information for the quarter ended 31 December 2020 and 31 December 2019 have not been reviewed and we do not express a conclusion thereon.

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.

**AUDITOR'S REPORT TO THE UNIT HOLDERS
ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**



KPMG Taseer Hadi & Co.

The interim financial information of the Fund for the six months period ended 31 December 2019 and financial statements for the year ended 30 June 2020 were reviewed and audited by another firm of auditors whose reports dated 25 February 2020 and 17 September 2020 respectively expressed unmodified conclusion and opinion thereon.

The engagement partner on the engagement resulting in this independent auditors' review report is Aryn Pirani.

Date: 18 February 2021

Karachi

A handwritten signature in black ink, appearing to read 'KPMG Taseer Hadi & Co.', written above a horizontal line.

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

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020

		31 December 2020 (Unaudited)	30 June 2020 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	7	3,638,805	43,747
Investments	8	458,000	104,843
Profit receivable on investments and bank balances		11,479	2,973
Advances and deposits		4,240	4,311
Preliminary expenses and floatation costs		-	54
Receivable from National Clearing Company of Pakistan Limited		-	5,180
Total assets		4,112,524	161,108
Liabilities			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	9	253	539
Payable to Digital Custodian Company (formerly MCB Financial Services Limited) - Trustee	10	2	46
Payable to the Securities and Exchange Commission of Pakistan	11	7	36
Dividend payable		1,201	-
Accrued expenses and other liabilities	12	8,260	8,144
Total liabilities		9,724	8,765
CONTINGENCIES AND COMMITMENTS	14		
NET ASSETS		4,102,800	152,343
Unit Holders' Fund		4,102,800	152,343
		(Number of units)	
Number Of Units In Issue		41,230,032	1,530,931
		(Rupees)	
Net Asset Value Per Unit		99.5100	99.5100

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020

	For the Six months Period Ended 31 December 2020		For the Three months Period Ended 31 December 2020	
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Income				
Income on investments	3,920	7,292	3,295	4,603
(Loss) / gain on sale of investments classified as 'at fair value through profit or loss' - net	(1,922)	127	-	(45)
Profit on bank deposit	20,925	6,286	17,179	1,875
Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' - net	-	(109)	-	76
Other income	25	194	-	168
Total income	22,948	13,790	20,474	6,677
Expenses				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	266	1,572	150	677
Sindh Sales Tax on remuneration of the Management Company	34	204	19	88
Allocated expenses	21	100	-	47
Remuneration of Digital Custodian Company (Formerly MCB Financial Services Limited) - Trustee	78	252	10	126
Sindh Sales Tax on remuneration of trustee	10	33	1	17
Annual fee of Securities and Exchange Commission of Pakistan	7	20	3	9
Provision against Sindh Workers' Welfare Fund	442	202	405	97
Selling and marketing expenses	165	582	-	384
Securities transaction cost	18	45	-	18
Settlement and bank charges	38	227	2	96
Fees and subscriptions	38	140	-	70
Legal and professional charges	30	92	-	46
Amortization of preliminary expenses and formation costs	20	74	-	37
Auditors' remuneration	85	351	-	209
Printing and related costs	14	17	-	8
Total expenses	1,266	3,911	590	1,929
Net income for the period before taxation	21,682	9,879	19,884	4,748
Taxation	-	-	-	-
Net gain for the period after tax	21,682	9,879	19,884	4,748
Allocation of Net Income For the period				
Net income for the period	21,682	9,879	19,884	4,748
Income already paid on units redeemed	(5,309)	(77)	(5,115)	(9)
Accounting income available for distribution	16,373	9,802	14,769	4,739
Relating to Capital gains-net	-	15	31	31
Excluding capital gains	16,373	9,787	14,738	4,708
	16,373	9,802	14,769	4,739
Earnings per unit				

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

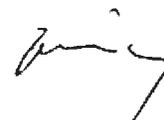
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2020**

	Half year ended 31 December		Quarter ended 31 December	
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net Income for the period after taxation	21,682	9,879	19,885	4,748
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	21,682	9,879	19,885	4,748

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

	31 December 2020	31 December 2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	21,682	9,879
Adjustments for:		
Unrealised diminution in value of investments classified as 'at fair value through profit or loss' - net	-	109
Provision for Sindh Workers' Welfare Fund	442	202
	22,124	10,190
(Increase) / decrease in assets		
Investments	(353,157)	26,442
Profit receivable	(8,506)	586
Advances, deposit and prepayments	71	(280)
Preliminary expenses and floatation costs	54	201
Receivable against sale of investments	5,180	-
	(356,358)	26,949
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(286)	195
Payable to Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)	(44)	2
Payable to the Securities and Exchange Commission of Pakistan	(29)	(292)
Dividend payable	1,201	(311)
Accrued expenses and other liabilities	(326)	(38)
	517	(444)
Net cash flows from operating activities	(333,717)	36,695
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	12,850,111	1,003
Payments on redemption of units	(8,904,963)	(75,565)
Distribution during the period	(16,373)	(9,802)
Net cash flows from financing activities	3,928,775	(84,364)
Increase / (decrease) in cash and cash equivalents during the period	3,595,058	(47,669)
Cash and cash equivalents at beginning of the period	43,747	186,929
Cash and cash equivalents at end of the period	3,638,805	139,260

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

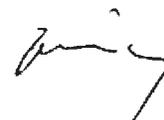
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

	31 December 2020			31 December 2019		
	Capital value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	147,651	4,692	152,343	238,536	14,975	253,511
Issue of 129,075,753 units (2019: 9,818 units)						
- Capital value	12,844,328	-	12,844,328	1,003	-	1,003
- Element of income	6,275	-	6,275	-	-	-
Total proceeds on Issuance of units	12,850,603	-	12,850,603	1,003	-	1,003
Redemption of 89,376,653 units (2019: 739,328 units)						
- Capital value	(8,893,871)	-	(8,893,871)	(75,488)	-	(75,488)
- Element of loss	(5,783)	(5,309)	(11,092)	-	(77)	(77)
Total payments on redemption of units	(8,899,654)	(5,309)	(8,904,963)	(75,488)	(77)	(75,565)
Total comprehensive income for the period	-	21,682	21,682	-	9,879	9,879
Distribution made during the period (Note 19)	(492)	(16,373)	(16,865)	-	(9,802)	(9,802)
Net income for the period less distribution	(492)	5,309	4,817	-	77	77
Net assets as at the end of the period	4,098,108	4,692	4,102,800	164,051	14,975	179,026
Undistributed income brought forward						
- Realized income at the beginning of the period		4,321			14,941	
- Unrealized income at the beginning of the period		371			34	
		4,692			14,975	
Accounting income available for distribution						
- Relating to capital gains		-			15	
- Excluding capital gains		16,373			9,787	
		16,373			9,802	
Distributions during the period		(16,373)			(9,802)	
Undistributed income carried forward		4,692			14,975	
Undistributed income carried forward						
- Realized income at the end of the period		4,692			15,084	
- Unrealized income/ (loss) at the end of period		-			(109)	
		4,692			14,975	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		99.5100			102.1021	
Net assets value per unit at end of the period		99.5100			102.1021	

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

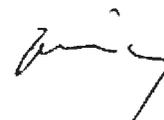
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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 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 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 / MCBP FPF /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 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 6 October 2020 to the Fund.

During the current period, The Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirement under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan 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
- 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.

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In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

- 2.2** The comparative assets and liabilities presented in these condensed interim financial information as at 31 December 2020 has been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, whereas the comparative income statement, statement of comprehensive income, the cash flow statement and statement of movement in unit holders' fund for the six months period ended 31 December 2020 have been extracted from the unaudited condensed interim financial information for the period then ended.
- 2.3** These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the fund's financial position and performance since the last financial statements.
- 2.4** These condensed interim financial information are unaudited, However, a limited scope review has been performed by the statutory auditors.
- 2.5** In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2020.

2.6 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that certain investments are carried at fair value.

2.7 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees have been rounded off to the nearest thousand rupees unless otherwise indicated.

3 IMPACT OF COVID-19

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

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to over all slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

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

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

4 SIGNIFICANT ACCOUNTING POLICIES AND THEIR IMPACT OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS THEREON

4.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Fund as at and for the year ended 30 June 2020.

4.2 New standards, interpretations and amendments adopted by the fund

There are certain 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 condensed interim financial information.

4.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

In addition, certain IFRS, amendments and interpretations to approved accounting standards are not yet effective. However, these are not likely to have any material effect on the Fund's financial statements.

5 USE OF JUDGEMENTS AND ESTIMATES

The preparation of these condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgments and estimates made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the period ended 30 June 2020.

6 FINANCIAL RISK MANAGEMENT

The Fund's risk management policies are consistent with those disclosed in the financial statements of the Fund as at and for the year ended 30 June 2020.

7 BANK BALANCES	Note	31 December 2020 (Unaudited) ---- (Rupees in '000) ----	30 June 2020 (Audited)
Current accounts		-	41,238
Profit and loss sharing accounts (PLS accounts)	7.1	<u>3,638,805</u>	<u>2,509</u>
		<u><u>3,638,805</u></u>	<u><u>43,747</u></u>

7.1 These carry profit rates ranging from 5.5% to 6.5% (30 June 2020: 5.5% to 7.83%) per annum. These balances include Rs. 3.147 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 windows of the conventional banks.

8 INVESTMENTS	Note	31 December 2020 (Unaudited) ---- (Rupees in '000) ----	30 June 2020 (Audited)
At fair value through profit or loss			
- Sukuk Certificates - Unlisted	8.1	<u>218,000</u>	585
- Government securities - Market Treasury Bills	8.2	-	-
- Government securities - Pakistan Investment Bonds	8.3	-	104,258
At amortised cost			
- Term Deposit Receipts	8.4	<u>240,000</u>	-
		<u><u>458,000</u></u>	<u><u>104,843</u></u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

8.1 Sukuk Certificates - Unlisted

Name of investee company	As at July 01, 2020	Purchased during the period	Disposed / matured during the period	As at 31 December 2020	31 December 2020			Investment as a percentage of total issue size
					Carrying value before revaluation	Market value (Revised carrying value)	Unrealised appreciation / (diminution)	
Byco Petroleum Pakistan Limited *	578	-	-	218,000	-	-	-	-
Hub Power Company Limited - Sukuk	8.1.1	218,000	-	218,000	218,000	218,000	5.31	47.60
As at 31 December 2020					218,000	218,000		
As at 30 June 2020					578	585		

* (Certificates having a face value of Rs.100,000 each)

8.1.1 The terms and conditions of the sukuk certificates outstanding as at 31 December 2020 are as follows:

Name of investee company	Rating	Tenure	Profit payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Hub Power Company Limited - Sukuk	AA+	6 Months	Semi-Annually	Unsecured	16 November 2020	16 May 2021	6 months KIBOR +1.3% (8.65%)

8.2 Government securities - Market treasury bills

Tenor	Issue date	Face value		As at 31 Dec 2020	31 December 2020		Market value as a percentage of net assets	Market value as a percentage of total investments
		Purchased during the period	Sold / matured during the period		Carrying value	Market value		
Market treasury bills - 3 months	2-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)	-	-	-	-
Market treasury bills - 3 months	16-Jul-20	-	75,000	(75,000)	-	-	-	-
Total as at December 2020								
Total as at 30 June 2020								

8.3 Government securities - Pakistan Investment Bonds

Particulars	Issue Date	Face value		As at Dec 31 2020	31 December 2020		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period		Sold / matured during the period	Carrying value		
Pakistan Investment Bond - 3 Years	19-Sep-19	50,000	-	50,000	-	-	-	-
Pakistan Investment Bond - 5 Years	19-Sep-19	50,000	-	50,000	-	-	-	-
Pakistan Investment Bond - 5 Years	19-Sep-19	-	50,000	50,000	-	-	-	-
Pakistan Investment Bond - 3 Years	19-Sep-19	-	50,000	50,000	-	-	-	-
Pakistan Investment Bond - 3 Years	18-Jun-20	-	125,000	125,000	-	-	-	-
Total as at 31 December 2020								
Total as at 30 June 2020					103,894	104,258		364

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

8.4 Term Deposit Receipts

This represents Term Deposit Receipts (TDR) placed with Faysal Bank Limited (Islamic Banking) maturing in March 2021 carrying profit at the rate of 6.7% per annum.

	<i>Note</i>	31 December 2020 (Unaudited)	30 June 2020 (Audited)
		---- (Rupees in '000) ----	
9 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	9.1	151	196
Sindh Sales Tax payable on management remuneration		20	26
Sales load payable		-	15
Payable against allocated expenses	9.1	21	12
Payable against selling and marketing expenses	9.1	62	290
		253	539

9.1 Under clause 60(s) of the NBFC Regulations, 2008 the Management Company is allowed to charge "fees and expenses relating to registrar services, accounting, operation and valuation services related to the CIS up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it. The maximum cap of 0.1% of average annual net assets was removed by SECP vide SRO No. 639 (1) 2019. The Management Company has allocated these 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). Moreover, the management remuneration have been charged for July 2020 and December 2020.

10 PAYABLE TO DIGITAL CUSTODIAN COMPANY (FORMERLY MCB FINANCIAL SERVICES LIMITED) - TRUSTEE

The Trustee, Digital Custodian Company (formerly MCB Financial Services Limited) 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.

The expenses up to 20 August 2020 have been allocated to the fund. Thereafter up to 31 December 2020, after the conversion of the Fund from Asset Allocation Scheme to Islamic Money Market Scheme, these expenses are being borne by the Management Company.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

These expenses have been borne by the Fund up to 20 August 2020 (the effective date of the conversion of the Fund) and thereafter by the Management Company.

	<i>Note</i>	31 December 2020 (Unaudited)	30 June 2020 (Audited)
		---- (Rupees in '000) ----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	12.1	3,188	2,745
Provision for Federal Excise Duty relating to:	12.2		
- Management fee		841	841
- Sales load		3,625	3,625
Brokerage payable		-	50
Auditors' remuneration		83	432
Printing and related expenditure		-	451
Other		523	-
		8,260	8,144

12.1 Provision against Sindh Workers' Welfare Fund (SWWF)

The status of chargeability of SWWF is the same as disclosed in the annual financial statements for the year ended 30 June 2020. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Rs 0.0773 per unit (30 June 2020: 1.7931 per unit).

12.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of Levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended 30 June 2020. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at 31 December 2020 would have been higher by Re. 0.0204 per unit (30 June 2020: Rs 0.5494 per unit).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

13 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the half year ended 31 December 2020 is 0.34% YTD in which includes 0.20% representing government levies on the Fund such as federal excise duties and sales taxes, Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorized as a Equity scheme.

14 CONTINGENCIES AND COMMITMENTS

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

15 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 realized or unrealized 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. For the six months period ended 31 December 2020, the fund has already distributed the entire income earned during the period, including through redemption during the period.

16 EARNINGS PER UNIT

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

17 TRANSACTIONS WITH CONNECTED PERSONS

Related parties / Connected persons of the Fund include the Management Company, other collective investment schemes being 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 undertaking and unit holders holding more than 10% units of the Fund.

Remuneration to the Management Company and Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed of the Fund. Dividend payable / payouts are recorded on the dates declared by the Fund / Management Company. Units issued / redeemed are recorded at the rates applicable on the date of issuance / redemption. All other transactions with connected persons (related parties) are in the normal course of business and are carried out on agreed terms.

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

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

For the six months ended 31 December 2020									
As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at 31 December 2020	As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at 31 December 2020
(Units)					(Rupees in '000)				
Associated company									
MCB Arif Habib savings and Investments Limited - 8.2% of the units as at the period end	-	16,481,322	13,113,807	3,367,515	-	1,640,543		1,305,408	335,135
Adamjee Insurance Company									
Limited Employees Gratuity Fund	-	198,378	198,378	-	-	19,741		19,741	-
Adamjee Insurance Company Limited Employees Provident	-	396,424	396,424	-	-	39,448		39,448	-
Adamjee Life Assurance Company Limited Tameem	-	1,158,878	1,158,878	-	-	115,320		115,320	-
Key management personnel									
	-	326,627	326,627	-	-	32,455		32,565	-
Unitholders holding 10% or more									
	-	15,129,094	-	15,129,094	-	1,505,496	-	-	1,505,496
Mandate under discretionary portfolio services									
	-	83,795,399	69,209,285	14,586,113	-	8,344,646	-	6,897,575	1,451,318

For the six months ended 31 December 2019									
As at July 01, 2019	Issued for cash	Bonus	Redeemed	As at 31 December 2019	As at July 01, 2019	Issued for cash	Bonus	Redeemed	As at 31 December 2019
(Units)					(Rupees in '000)				
Unitholders holding 10% or more	541,619	-	-	541,619	55,300	-	-	-	55,300
Mandate under discretionary portfolio services	3	-	-	3	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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17.2 Details of transactions with the connected persons / related parties during the period are as follows:

	31 December 2020 (Unaudited)	31 December 2019 (Unaudited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	300	1,776
Marketing and selling expense	165	582
Allocated expenses	21	100
Dividend distribution	994	-
Digital Custodian Company (Formerly MCB Financial Services Limited) - Trustee		
Remuneration of Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)	78	252
Sindh Sales Tax on remuneration of the Trustee	10	33
MCB Bank Limited - Holding Company of the Management Company		
Profit on bank deposits	87	162
Bank charges	-	22
Next Capital Limited - Joint Venture of MCB Bank Limited & Arif Habib Corporation Limited		
Brokerage expense	-	12

17.3 Amount outstanding as at period end / year end

	31 December 2020 (Unaudited)	30 June 2020 (Audited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	151	196
Sindh sales tax payable on management remuneration	20	26
Payable against allocated expenses	21	12
Payable against marketing and selling expense	62	290
Sales and load payable	-	15
Dividend Payable	60	-
Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)		
Remuneration of Digital Custodian Company - Trustee (Formerly MCB Financial Services Limited)	2	32
Sindh Sales Tax payable on Trustee remuneration	-	5
MCB Bank Limited - Parent of the Management Company		
Bank balances	3,147	2,509

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

The following table shows financial instruments recognized at fair value based on:

Level 1 : quoted prices in active markets for identical assets or liabilities;

Level 2 : those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

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

31 December 2020 (Unaudited)					
Carrying amount					
Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 2	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Term Finance Certificates	-	218,000	-	218,000	218,000
	-	218,000	-	218,000	436,000
Financial assets not measured at fair value					
Bank balances	3,638,805	-	-	3,638,805	
Term Deposit Receipts	240,000	-	-	240,000	
Profit receivable on investments and bank balances	11,479	-	-	11,479	
Advances and deposits	2,891	-	-	2,891	
	3,893,175	-	-	3,893,175	
Financial liabilities not measured at fair value					
Payable to the Management Company	233	-	-	233	
Payable to the Trustee	2	-	-	2	
Dividend payable	1,201	-	-	1,201	
Accrued expenses and other liabilities	606	-	-	606	
	2,043	-	-	2,043	
30 June 2020 (Audited)					
Carrying amount					
Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 2	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Pakistan Investment Bonds	-	104,258	104,258	104,258	104,258
Sukuk certificates - Unlisted	-	585	585	585	585
	-	104,843	104,843	104,843	104,843
Financial assets not measured at fair value					
Bank balances	43,747	-	43,747		
Profit receivable	2,973	-	2,973		
Receivable from National Clearing Company of Pakistan Limited	5,180	-	5,180		
Deposits	2,850	-	2,850		
	54,750	-	54,750		
Financial liabilities not measured at fair value					
Payable to the Management Company	513	-	513		
Payable to the Trustee	41	-	41		
Accrued expenses and other liabilities	933	-	933		
	1,487	-	1,487		

During the year ended 31 December 2020, there were no transfers between levels fair value measurements, and no transfer into and out of level 3 fair value measurements.

Fair value gains of assets and liabilities not measured at fair value have not been disclosed as these are either short term in nature or repriced frequently. Accordingly, the carrying values of these instruments are considered to be reasonable approximation of their fair values.

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19 DISTRIBUTIONS MADE DURING THE PERIOD

	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 31 December 2020 *	-	11,868	11,868
	492	16,373	16,865

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

20 GENERAL

These condensed interim financial information are unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended 31 December 2020 in these condensed interim financial information, wherever appearing, have not been reviewed by the auditors.

21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information was authorised for issue on February 08, 2021, by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

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