



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

JSAVE
Savings Asaan. Life Asaan.

ALHAMRA الحمر
BACHAT SHARI'AT KE MUTABIQ

ALHAMRA ISLAMIC STOCK FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited National Bank of Pakistan Standard Chartered Bank Limited Silk Bank Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Soneri Bank Limited	
Auditors	KPMG Taseer Hadi & Co. 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 DECEMBER 31, 2020

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Stock Fund** accounts review for 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.

Equity Market Review

The benchmark KSE-100 Index continued on towards its positive trajectory during the second quarter of this fiscal year, after posting an incredible return of 17.9% in the first quarter. The index posted a return of 7.9% during the second quarter, taking the cumulative return of first half to 27.1%. Individual and Corporate Companies were the major buyers during the period, taking an exposure of USD 159 / 91 million in equities, while commercial banks turned out to be net sellers reducing their exposure by USD 69 million.

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

On the other end, Foreigners continued to offload as they sold stocks worth USD 247million. Trading activity at the bourse increased compared to the previous half as the average volumes and value traded amounted to near 448 million shares (up 116%) and about PKR 17 billion (up 109%) respectively.

Tech, Steel and Refineries were the major outperformers as they posted returns of 134% / 86% / 75% respectively during the first half of the fiscal year. Tech companies saw a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Steel sector gained traction during period after a sharp increase in construction demand and prices sent their stocks soaring. Moreover, rumors of a guaranteed rate of return for refineries drove sector returns during the period. On the other side, Oil and Gas exploration remained the major underperformer posting nominal returns of 7% only, as volatile crude oil prices along with rising circular debt kept investors at bay.

FUND PERFORMANCE

During the period, ALHISF delivered a return of 24.63% as compared to benchmark return of 29.41%. Overall equity exposure of the fund stood at 96.0% at the end of the period as compared to 88.8% at June 30, 2020. The fund changed its investment strategy several times during the quarter to cope with various Sector and company level fundamental developments. During the period, the fund had exposures majorly in Oil and Gas Exploration companies, Cement and Power Generation and Distribution Sector.

The Net Assets of the Fund as at December 31, 2020 stood at Rs. 3,558 million as compared to Rs.2,656 million as at June 30, 2020 registering an increase of 33.96%.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 10.83 as compared to opening NAV of Rs. 8.69 per unit as at June 30, 2020 registering an increase of Rs. 2.14 per unit.

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.

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

From capital market perspective, particularly equities, we are getting a much clearer picture now. As growth momentum continues, the valuations are catching up with historical norms. Barring any external shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 1.9%, compared to historical average of 1.0% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

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.

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 کے مستقبل کے امکانات

سوڈ 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 صورت حال 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۔

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 / وائس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
08 فروری 2021ء

ڈائریکٹرز رپورٹ

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 اِفیکٹیو 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 اشیاء خورد و نوش کی قیمتیں آسمان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 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۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں ہمیں اب کافی واضح صورتحال نظر آرہی ہے۔ ترقی کی رفتار تیز تر ہونے کے ساتھ valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ ہمارے مطابق کوئی خارجی دھچکہ نہ لگے تو ایکویٹیز میں سرمایہ کاروں کو اچھا منافع دینے کی استعداد موجود ہے۔ اگر سود کی پست شرحوں کا ماحول مختصر اور درمیانی مدت کے دوران قائم رہے تو ہم سمجھتے ہیں کہ ایکویٹیز کا آمدات کو مائل کرنے کا سلسلہ جاری رہے گا۔ دس سالہ بانڈز سے متعلق خطرات کے پریمیئم فی الوقت 1.9 فیصد پر ہیں، اور قدیم اوسط 1.0 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ ری ریٹنگ کی بدولت کچھ فائدہ متوقع ہے۔ ساتھ ساتھ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا کیونکہ گزشتہ کچھ برسوں کے دوران یہ معمولی جی ڈی پی سے پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد و خورد تصور اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

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

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے inet 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۔

ایکویٹی مارکیٹ کا جائزہ

بیج مارک KSE-100 انڈیکس نے موجودہ مالی سال کی پہلی سہ ماہی میں 17.9 فیصد زبردست منافع حاصل کرنے کے بعد دوسری سہ ماہی کے دوران اپنی مثبت رفتار جاری رکھی۔ انڈیکس نے دوسری سہ ماہی کے دوران 7.9 فیصد منافع پوسٹ کیا جس کی بدولت نصف اول کا مجموعی منافع 27.1 فیصد تک پہنچ گیا۔ افراد اور کارپوریٹ کمپنیاں دوران مدت سب سے بڑے خریدار تھے جنہوں نے 159/91 ملین ڈالر سرمایہ کاری کی، جبکہ کمرشل بینک net فروخت کا ثبوت ہوئے جنہوں نے اپنی سرمایہ کاری میں 69 ملین ڈالر کمی کی۔ دوسری جانب غیر ملکیوں نے اپنے حصے میں کمی کرنے کا سلسلہ جاری رکھا اور 247 ملین ڈالر مالیت کے اسٹاکس فروخت کیے۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں گزشتہ ششماہی کے مقابلے میں اضافہ ہوا کیونکہ اوسط حجم تقریباً 448 ملین حصص، یعنی 116 فیصد زیادہ، اور تجارت شدہ قدر تقریباً 17 بلین روپے، یعنی 109 فیصد زیادہ تھی۔

ٹیکنالوجی، اسٹیل اور ریٹائرمنٹ ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نصف اول کے دوران بالترتیب 134 فیصد، 86 فیصد اور 75 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل نو ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بدلتی ہوئی صورتحال بعد از کووڈ کا خیر مقدم کیا۔ اسٹیل کے شعبے نے رفتار پکڑی کیونکہ تعمیراتی مانگ اور قیمتوں میں تیزی سے اضافے کے بعد ان کے اسٹاکس نے بھرپور ترقی کی۔ علاوہ ازیں، ریٹائرمنٹ کے لیے یقینی شرح منافع کی افواہوں نے دوران مدت اس شعبے کے منافع کو محرک فراہم کیا۔ دوسری جانب تیل اور گیس کی دریافت کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بڑا شعبہ تھا جس نے صرف 7 فیصد معمولی منافع پوسٹ کیا کیونکہ خام تیل کی غیر مستحکم قیمتوں اور بڑھتے ہوئے گردش قرضوں سے سرمایہ کاروں کی حوصلہ شکنی ہوئی۔

فنڈ کی کارکردگی

دوران مدت فنڈ نے 24.63 فیصد منافع حاصل کیا جبکہ مقررہ معیار 29.41 فیصد تھا۔ اختتام مدت پر فنڈ کی ایکویٹیز میں مجموعی سرمایہ کاری 96.0 فیصد تھی جبکہ اس کے بالمقابل 30 جون 2020ء کو 88.8 فیصد تھی۔ دوران سہ ماہی فنڈ کی سرمایہ کاری کی حکمت عملی کو متعدد بار تبدیل کیا گیا تاکہ مختلف بنیادی نوعیت کی شعبہ جاتی اور ادارہ جاتی تبدیلیوں کے ساتھ ہم آہنگ ہو جا سکے۔ دوران مدت فنڈ کی زیادہ تر سرمایہ کاری تیل اور گیس کی دریافت کی کمپنیوں، سیمنٹ، اور بجلی کی پیداوار اور تقسیم کے شعبے میں تھی۔ 31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 3,558 ملین روپے تھے جو 30 جون 2020ء (2,656 ملین روپے) کے مقابلے میں 33.96 فیصد اضافہ ہے۔

31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) فی یونٹ 10.83 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 8.69 روپے فی یونٹ روپے کے مقابلے میں 2.14 روپے فی یونٹ اضافہ ہے۔

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 مالیا تی 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 ہوگی ہے۔ ہمیں اُمید ہے کہ معاشی ترقی 2.1 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

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

الحمد للہ اسلامک اسٹاک 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 اٹھایا ہے اگرچہ کووڈ کے باعث پیدا ہونے والی مشکلات قریب المیعاد 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 محسوس کرا رہا ہے۔ کووڈ-19 اُتنا 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 گردشیں شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

مالی سال 2021ء کی پہلی ششماہی میں سیمنٹ 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 طبعے کی مشترک 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 البینا 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 صارفین کی 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 چلنی 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

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



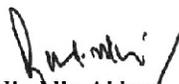
TRUSTEE REPORT TO THE UNIT HOLDERS

ALHAMRA ISLAMIC STOCK FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Islamic Stock Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 11, 2021



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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 Stock Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alhamra Islamic Stock 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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.', is written above a horizontal line.

KPMG Taseer Hadi & Co.
Chartered Accountants

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
Note ----- (Rupees in '000) -----			
ASSETS			
Bank balances	7	88,484	298,097
Investments	8	3,598,471	2,438,432
Dividend, profit and other receivables		10,860	6,618
Receivable against sale of investments		48,719	601
Advances, deposits and prepayments		3,241	3,227
Total assets		3,749,775	2,746,975
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	9	18,607	13,305
Payable to Central Depository Company of Pakistan Limited - Trustee	10	437	333
Payable to the Securities and Exchange Commission of Pakistan	11	337	530
Dividend payable		12,236	12,236
Payable against purchase of investments		120,368	42,998
Accrued expenses and other liabilities	12	40,060	21,300
Total liabilities		192,045	90,702
CONTINGENCIES AND COMMITMENTS			
	14		
NET ASSETS		3,557,730	2,656,273
Unit Holders' Fund		3,557,730	2,656,273
		(Number of Units)	
Number Of Units In Issue		328,518,980	305,676,886
		(Rupees)	
Net Asset Value Per Unit		10.83	8.69

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

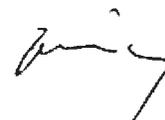
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020**

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
Note ----- (Rupees in '000) ----- (Rupees in '000) -----				
INCOME				
Capital gain on sale of investments	296,872	69,454	164,338	84,801
Dividend income	60,907	85,304	49,882	38,952
Profit on bank deposits	4,839	17,799	1,674	8,477
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss'	8.1 422,443	344,723	91,428	482,842
Total income	785,061	517,280	307,322	615,072
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	33,696	26,291	17,308	13,439
Sindh Sales Tax on remuneration of the Management Company	4,381	3,418	2,249	1,746
Allocated expenses	9.1 1,685	1,315	866	672
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10 2,184	1,818	1,115	924
Sindh Sales Tax on remuneration of Trustee	285	236	146	120
Annual fee of Securities and Exchange Commission of Pakistan	11 337	263	173	134
Provision against Sindh Workers' Welfare Fund	12.1 14,148	9,268	5,333	9,268
Selling and marketing expenses	9.2 21,902	11,450	11,250	8,372
Securities transaction cost	9,178	5,669	4,411	4,632
Settlement and bank charges	631	479	426	297
Fees and subscription	26	26	20	8
Legal and professional charges	68	91	34	45
Shariah advisory fee	384	452	180	225
Charity and Donation	15 2,633	2,070	2,312	863
Auditors' remuneration	257	281	144	178
Printing and related costs	14	15	19	(7)
Total expenses	91,809	63,142	45,986	40,916
Net income for the period before taxation	693,252	454,138	261,336	574,156
Taxation	16 -	-	-	-
Net income for the period	693,252	454,138	261,336	574,156
Allocation of net income for the year:				
Net Income for the period	693,252	454,138	261,336	574,156
Income already paid on units redeemed	(114,449)	(60,330)	(41,079)	(60,330)
	578,803	393,808	220,257	513,826
Accounting income available for distribution:				
- Relating to capital gains	599,609	351,929	351,929	351,929
- Excluding capital gains	(20,806)	41,879	(131,672)	161,897
	578,803	393,808	220,257	513,826
Earnings per unit	17			

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

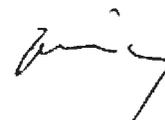
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020**

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period after taxation	693,252	454,138	261,336	574,156
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	693,252	454,138	261,336	574,156

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

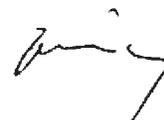
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Half year ended December 31,					
	2020			2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
(Rupees in '000)			(Rupees in '000)			
Net assets at beginning of the period	3,181,435	(525,162)	2,656,273	3,310,085	(531,376)	2,778,709
Issue of 340,607,437 units (2019: 185,800,135 units):						
- Capital value	2,959,880	-	2,959,880	1,597,882	-	1,597,882
- Element of income	442,076	-	442,076	104,079	-	104,079
Total proceeds on Issuance of units	3,401,956	-	3,401,956	1,701,961	-	1,701,961
Redemption of 317,765,343 units (2019: 209,095,408 units):						
- Capital value	(2,761,381)	-	(2,761,381)	(1,798,221)	-	(1,798,221)
- Element of loss	(317,921)	(114,449)	(432,370)	(7,080)	(60,330)	(67,410)
Total payments on redemption of units	(3,079,302)	(114,449)	(3,193,751)	(1,805,301)	(60,330)	(1,865,631)
Total comprehensive income for the period	-	693,252	693,252	-	454,138	454,138
Net assets as at the end of the period	3,504,089	53,641	3,557,730	3,206,745	(137,568)	3,069,177
Undistributed (loss) / income brought forward						
- Realized (loss) at the beginning of the period		(455,508)			(18,568)	
- Unrealized loss at the beginning of the period		(69,654)			(512,808)	
		<u>(525,162)</u>			<u>(531,376)</u>	
Accounting income available for distribution						
- Relating To Capital Gain		599,609			351,929	
- Relating To Other than Capital Gain		(20,806)			41,879	
		<u>578,803</u>			<u>393,808</u>	
Undistributed income / (loss) carried forward		53,641			(137,568)	
Undistributed loss carried forward						
- Realized (loss) at the end of the period		(368,802)			(482,291)	
- Unrealized income at the end of period		422,443			344,723	
		<u>53,641</u>			<u>(137,568)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the period		<u>8.69</u>			<u>8.60</u>	
Net assets value per unit as at end of the period		<u>10.83</u>			<u>10.24</u>	

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Half year ended December 31,	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	693,252	454,138
Adjustments for:		
Unrealised (appreciation) / diminution in value of investments classified as 'at fair value through profit or loss' - net	(422,443)	(344,723)
Dividend income	(60,907)	(85,304)
	<u>209,902</u>	<u>24,111</u>
(Increase) / decrease in assets		
Investments	(737,596)	(214,636)
Dividend and profit receivable	56,665	96,937
Receivable against sale of investments	(48,118)	29,995
Advances, deposits and prepayments	(14)	(47)
	<u>(729,063)</u>	<u>(87,751)</u>
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	5,302	5,870
Payable to Central Depository Company of Pakistan Limited - Trustee	104	10
Payable to Securities and Exchange Commission of Pakistan	(193)	(2,678)
Payable against purchase of investments	77,370	109,902
Accrued expenses and other liabilities	18,760	12,554
	<u>101,343</u>	<u>125,658</u>
Net cash (used in) / generated from operating activities	<u>(417,818)</u>	<u>62,018</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	3,401,956	1,701,961
Payments on redemption of units	(3,193,751)	(1,865,631)
Net cash generated from / (used in) financing activities	<u>208,205</u>	<u>(163,670)</u>
Net decrease in cash and cash equivalents during the period	<u>(209,613)</u>	<u>(101,652)</u>
Cash and cash equivalents at beginning of the period	298,097	396,625
Cash and cash equivalents at end of the period	<u><u>88,484</u></u>	<u><u>294,973</u></u>

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

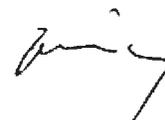
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

Alhamra Islamic Stock Fund ("the Fund") was established under a Trust Deed executed between Arif Habib Investments Limited (AHIL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee on 26 May 2004. Pursuant to the merger of MCB Asset Management Company Limited with and into Arif Habib Investments Limited (AHIL), the name of AHIL has been changed to MCB-Arif Habib Savings and Investments Limited.

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.

Formation of the Fund as a closed-end fund was authorized by SECP on 13 May 2004, however with effect from 11 November 2010 the Fund was converted into open-end fund.

The Management Company of the Fund obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The registered office of the Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.

The Fund is categorised as "Shariah Compliant Islamic Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturity.

Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as 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.

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

This 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.

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.

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

- 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 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 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 overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

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

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

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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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 approved accounting 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 made by 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	<i>Note</i>	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees in '000) -----			
Profit and loss sharing accounts	7.1	70,080	282,430
Current accounts	7.2	18,404	15,667
		<u>88,484</u>	<u>298,097</u>

7.1 These carry profit rates ranging between 5.5% to 6.50% (30 June 2020: 6.75% to 7.5%) per annum and include bank balance of Rs. 0.035 (30 June 2020: 0.035) million maintained with MCB Islamic Bank Limited (a related party). Above balances are held with the Islamic Banks / Islamic windows operations of the conventional Banks.

7.2 These include Rs. 5.232 million (30 June 2020: Rs. 8.357 million) held with MCB Bank Limited (a related party).

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

(Unaudited) (Audited)
December 31, June 30,
2020 2020
Note
----- (Rupees in '000) -----
8.1 3,598,471 2,438,432

8 INVESTMENTS

Ordinary shares - listed

8.1 Ordinary shares - listed - at fair value through profit or loss

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	Number of shares				Balance as at December 31, 2020				Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company	
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2020	Carrying value before revaluation	Market value (revised carrying value)	Unrealised appreciation / (diminution)	As a percentage of net assets	As a percentage of total investments		
Oil & gas exploration companies												
Mari Petroleum Company Limited	116,584	54,060	-	-	170,644	213,586	228,632	15,046	0.01	6.35	0.13	
Oil & Gas Development Company Limited ****	2,231,320	1,480,600	-	1,684,720	2,027,200	212,405	210,363	(2,042)	0.01	5.85	0.05	
Pakistan Oilfields Limited	146,553	253,000	-	88,685	310,868	115,979	122,920	6,941	0.00	3.42	0.11	
Pakistan Petroleum Limited	1,795,608	1,916,725	-	1,362,000	2,350,333	214,102	212,306	(1,796)	0.01	5.90	0.09	
					756,072	774,221	18,149					
Oil & gas marketing companies												
Attock Petroleum Limited	139,100	60,000	-	-	199,100	64,244	66,625	2,381	0.00	1.85	0.20	
Hascol Petroleum Limited	1,910	-	-	1,910	-	-	-	-	-	-	0.00	
Hi-Tech Lubricants Limited	195	-	-	-	195	6	9	3	-	-	0.00	
Pakistan State Oil Company limited.	-	815,713	-	246,000	569,713	110,569	122,659	12,090	0.00	3.41	0.12	
Sui Northern Gas Pipelines Limited	1,563,700	120,000	-	1,683,700	-	-	-	-	-	-	0.00	
					174,819	189,293	14,474					
Engineering												
Agha Steel Industries Limited	0	1,250,000	-	240,000	1,010,000	35,108	39,804	4,696	0.00	1.11	0.18	
International Industries Limited	135,000	-	-	135,000	-	-	-	-	-	-	0.00	
Mughal Iron & Steel Industries Limited	-	720,000	-	-	720,000	54,608	54,526	(82)	0.00	1.52	0.29	
					89,716	94,330	4,614					
Pharmaceuticals												
Abbott Laboratories (Pakistan) Limited	200,900	-	-	44,550	156,350	103,660	118,102	14,442	0.00	3.28	0.16	
AGP Limited	375,000	125,000	-	192,000	308,000	34,150	35,075	925	0.00	0.98	0.11	
Glaxosmithkline Pakistan	-	134,200	-	33,800	100,400	19,895	19,260	(635)	0.00	0.54	0.03	
Hightnoon Laboratories Limited	-	30,000	-	-	30,000	18,750	17,994	(756)	0.00	0.50	0.09	
IBL Healthcare Limited	-	200,000	-	200,000	-	-	-	-	-	-	-	
The Searle Company Limited	214	556,000	30,030	401,212	185,032	44,966	46,116	1,150	0.00	1.28	0.09	
					221,421	236,547	15,126					
Textile composite												
Interloop Limited	863,172	759,000	-	406,500	1,215,672	61,920	82,751	20,831	0.00	2.30	0.14	
Kohinoor Textile Mills Limited	747,300	-	-	28,000	719,300	25,542	49,070	23,528	0.00	1.36	0.24	
Nishat Mills Limited	-	835,000	-	457,000	378,000	36,934	38,469	1,535	0.00	1.07	0.11	
					124,396	170,290	45,894					
Refinery												
National Refinery Limited	80,000	100,000	-	180,000	-	-	-	-	-	-	-	
Pakistan Refinery Limited	-	1,100,000	-	1,100,000	-	-	-	-	-	-	-	
					-	-	-	-				

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

Name of the Investee Company	Number of shares					Balance as at December 31, 2020			Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company	
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2020	Carrying value before revaluation	Market value (revised carrying value)	Unrealised appreciation / (diminution)	As a percentage of net assets	As a percentage of total investments		
	(Rupees in '000)											
Fertilizer												
Engro Fertilizers Limited	762,000	-	-	762,000	-	-	-	-	-	-	-	-
Engro Corporation Limited	783,785	384,000	-	423,500	744,285	223,886	228,763	4,877	0.01	6.36	0.13	
Falima Fertilizer Company Limited ***	1,060,500	-	-	1,060,500	-	-	-	-	-	-	-	
						223,886	228,763	4,877				
Cement												
Cherat Cement Company Limited	-	625,000	-	248,000	377,000	49,585	55,114	5,529	0.00	1.53	0.19	
D.G. Khan Cement Company Limited	-	1,336,000	-	1,336,000	-	-	-	-	-	-	-	
Fauji Cement Company Limited	4,980,000	4,630,000	-	5,249,000	4,361,000	93,191	94,503	1,312	0.00	2.63	0.32	
Kohat Cement Limited	307,550	24,500	-	110,400	221,650	31,249	48,595	17,346	0.00	1.35	0.11	
Lucky Cement Limited	549,771	206,000	-	294,700	461,071	242,114	320,946	78,832	0.01	8.92	0.14	
Maple Leaf Cement Factory Limited	1,501,500	3,313,505	-	2,275,000	2,540,005	90,300	114,326	24,026	0.00	3.18	0.23	
						506,439	633,484	127,045				
Chemical												
Archroma Pakistan Limited	39,650	41,500	-	-	81,150	46,942	45,306	(1,636)	0.00	1.26	0.24	
Engro Polymer & Chemicals Limited	3,758,114	450,000	-	2,372,000	1,836,114	48,541	87,234	38,693	0.00	2.42	0.20	
ICI Pakistan Limited	-	86,600	-	-	86,600	64,056	65,824	1,768	0.00	1.83	0.09	
Loite Chemical Pakistan Limited	-	2,200,000	-	2,200,000	-	-	-	-	-	-	-	
						159,539	198,364	38,825				
Paper and board												
Century Paper & Board Mills Limited	-	325,000	65,000	390,000	-	-	-	-	-	-	-	
Packages Limited	-	232,400	-	9,600	222,800	101,887	132,994	31,107	0.00	3.70	0.25	
Security Paper Limited	30,900	148,700	-	-	179,600	28,848	31,791	2,943	0.00	0.88	0.30	
						130,735	164,785	34,050				
Food and personal care products												
National Foods Limited **	132,880	-	15,070	145,850	2,100	421	459	38	-	0.01	-	
AT-TAHUR LIMITED	-	239,500	23,950	263,450	-	-	-	-	-	-	-	
						421	459	38				
Sugar and allied industries												
Faran Sugar Mills Limited	101,500	-	-	-	101,500	4,009	4,291	282	-	0.12	0.41	
						4,009	4,291	282				
Technology and telecommunication												
Avanceon Limited	-	2,458,000	-	2,458,000	-	-	-	-	-	-	-	
Pakistan Telecommunication Company Limited	2,095,000	1,300,000	-	-	3,395,000	33,340	30,895	(2,445)	0.00	0.86	0.09	
Systems Limited	39,400	-	-	39,400	-	-	-	-	-	-	-	
						33,340	30,895	(2,445)				
Power generation and distribution												
Hub Power Company Limited ****	3,161,317	1,350,000	-	1,799,951	2,711,366	203,486	215,093	11,607	0.01	5.98	0.21	
K-Electric Limited *	6,400,000	2,500,000	-	-	8,900,000	27,616	34,799	7,183	0.00	0.97	0.03	
Lajpur Power Limited	3,950,000	-	-	3,950,000	-	-	-	-	-	-	-	
						231,102	249,892	18,790				

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

Name of the Investee Company	Number of shares			Balance as at December 31, 2020				Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company	
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2020	Carrying value before revaluation	Market value (revised carrying value)	Unrealised appreciation / (diminution)	As a percentage of net assets		As a percentage of total investments
										(%)	
Commercial banks											
Meezan Bank Limited	1,414,358	951,435	106,435	447,304	2,024,924	156,645	211,483	54,838	0.01	5.88	0.14
						156,645	211,483	54,838			
Automobile assemblers											
Inclus Motors Company Limited	-	47,000	-	-	47,000	58,684	56,304	(2,380)	0.00	1.57	0.06
Millat tractors Limited	55,500	-	-	3,200	52,300	36,932	57,221	20,289	0.00	1.59	0.11
						95,616	113,525	17,909			
Cable and electrical goods											
Pak Elektron Limited	1,034,000	3,259,000	-	1,714,500	2,578,500	96,050	103,475	7,425	0.00	2.88	0.52
						96,050	103,475	7,425			
Automobile parts & accessories											
Agriauto Industries Limited **	165,600	68,800	-	-	234,400	45,670	54,908	9,238	0.00	1.53	0.81
Thal Limited **	82,400	113,300	-	15,000	180,700	70,158	85,413	15,255	0.00	2.37	0.22
						115,828	140,321	24,493			
Miscellaneous											
Shifra International Hospitals Limited	115,000	-	-	23,500	91,500	21,352	18,298	(3,054)	0.00	0.51	0.15
Synthetic Products Enterprises Limited	236,760	550,000	35,404	-	822,164	34,642	35,755	1,113	0.00	0.99	0.89
						55,994	54,053	(1,941)			
Vanaspatti & Allied Industries											
Unity Foods Limited	-	4,090,000	-	4,090,000	-	-	-	-	-	-	0.00
As at 31 December 2020						3,176,028	3,598,471	422,443			
As at 30 June 2020						2,508,086	2,438,432	(69,654)			

* These have a face value of Rs.3.5 per share

** These have a face value of Rs.5 per share

*** These denote related parties / connected persons

**** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

Name of security	December 31, 2020		June 30, 2020	
	---- (Number of shares) ----		----- (Rupees in '000) -----	
The Hub Power Company Limited	650,000	650,000	650,000	47,125
Oil & Gas Development Company Limited	700,000	700,000	700,000	76,300
	1,350,000	1,350,000	1,350,000	123,425

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

		(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	<i>Note</i>	----- (Rupees in '000) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	12.1	24,935	10,787
Provision for Federal Excise Duty and related tax on	12.2		
- Management fee		5,689	5,689
- Sales load		125	125
Auditors' remuneration		282	381
Brokerage payable		4,448	1,138
Withholding tax payable		1,624	281
Charity / donation payable		2,634	2,780
Others		323	119
		40,060	21,300

12.1 Provision against Sindh Workers' Welfare Fund

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 these 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 0.08 per unit (30 June 2020: 0.04 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 these 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. 0.02 per unit (30 June 2020: Rs 0.02 per unit).

13 TOTAL EXPENSE RATIO

SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019 enhanced the Total Expense Ratio from 4% to 4.5%. The Total Expense Ratio (annualized) of the Fund is from 01 July 2020 to 31 December 2020 is 5.46% (30 June 2020: 4.33%) and this includes 1.16% (30 June 2020: 0.33%) representing Government Levy, Sindh Worker's Welfare Fund, SECP fee etc.

14 CONTINGENCIES AND COMMITMENTS

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

15 CHARITY AND DONATION

This represents the haram income allocated out of the dividend income for charity and donation.

16 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 intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in these condensed interim financial information.

17 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.

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

For the half year ended December 31, 2019 (Unaudited)								
	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019
	Units ----- (Rupees in '000) -----							
Associated companies								
Nishat Mills Limited	1,108,715	-	-	1,108,715	1,1719	-	-	11,353
D.G. Khan Cement Company Limited - Employees Provident Fund	456,190	-	-	456,190	4,822	-	-	4,671
Asghari Beg Memorial Trust	423,563	-	-	423,563	4,477	-	-	4,337
Adamjee Life Assurance Company Limited - Non-Unitised Investment Linked Fund	7,224,171	-	-	7,224,171	76,359	-	-	73,976
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	65,377,724	27,383,188	-	92,760,912	691,043	255,000	-	949,872
Adamjee Life Assurance Company Limited - Amanat Fund	17,833,909	2,356,021	1,522,843	18,667,087	188,504	18,000	15,000	191,151
Adamjee Life Assurance Company Limited - MAZAAF	16,712,894	6,375,463	-	23,088,357	176,655	56,446	-	236,425
Alhamra Islamic Active Allocation Plan I	45,343,343	12,865,497	45,343,343	12,865,497	479,279	132,000	408,997	131,743
Alhamra Islamic Active Allocation Plan II	42,329,805	-	42,329,805	-	447,426	-	375,460	-
Key management personnel	1,746,477	4,924,801	4,052,851	2,618,427	18,460	46,473	36,844	26,813
Mandate under discretionary portfolio services	9,419,117	7,341,579	5,881,775	10,878,921	99,560	69,100	51,988	111,400

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

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

	(Unaudited) December 31, 2020	(Unaudited) December 31, 2019
	----- (Rupees in '000) -----	
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	38,077	29,709
Expenses allocated by the Management Company	1,685	1,315
Shariah advisory fee	384	452
Selling and marketing expenses	21,902	11,450
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	2,469	2,054
Settlement charges including indirect taxes	206	116
Arif Habib Limited - Subsidiary of Associated Company		
Brokerage expense *	626	543
Next Capital Limited - Joint Venture of MCB Bank Limited & Arif Habib Corporation Limited		
Brokerage expense *	84	134
MCB Bank Limited - Parent of the Management Company		
Bank charges	38	11
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Profit on bank deposits	346	412
Nishat Mills Limited - Group Company of Parent Company		
Purchase of 835,000 (2019: 500,000) shares	81,587	53,223
Sales of 457,000 (2019: 3,500) shares	46,602	225
Dividend income	2,540	-
Fatima Fertilizer Company Limited - Group Company of Associated Company		
Purchase Nil Shares (2019: Nil) shares	-	-
Sales of 1,060,500 (2019: 1,000,000) shares	29,694	26,400
DG Khan Cement Company Limited - Group Company of Parent Company		
Purchase 1,336,000 (2019: Nil) shares	138,191	-
Sales of 1,336,000 (2019: Nil) shares	144,682	-

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

	(Unaudited) December 31, 2020	(Audited) June 30, 2020
18.3 Amount outstanding as at period end / year end		
	----- (Rupees in '000) -----	
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	6,020	4,261
Sales tax payable on Management remuneration	783	554
Expense allocated by the Management Company	301	213
Sales load payable	193	54
Shariah advisory fee payable	60	75
Selling and marketing expenses payable	11,250	8,148
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including indirect taxes)	437	333
Security deposit	300	300
Arif Habib Limited - Subsidiary of Associated Company		
Brokerage payable *	545	191
Next Capital Limited - Joint Venture of MCB Bank Limited & Arif Habib Corporation Limited		
Brokerage payable *	47	-
MCB Bank Limited - Parent of the Management Company		
Balances with bank	5,232	8,357
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Balances with bank**	35	63
Profit receivable	-	6
Nishat Mills Limited - Group Company of Parent Company		
378,000 shares (30 June 2020: Nil shares) held	38,469	-
Fatima Fertilizer Company Limited - Group Company of Associated Company		
Nil shares (30 June 2020: 1,060,500 shares) held	-	28,347
* The amount disclosed represents the amount of brokerage paid / payable to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.		
** This represents balance held in deposit accounts carrying profit at the rate of 6.5% per annum		

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

19 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 (derived from prices); and

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

	December 31, 2020 (Unaudited)				
	Carrying amount			Fair value	
	Fair value through profit or loss	Amortized cost	Total	Level 1	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Listed equity securities	3,598,471	-	3,598,471	3,598,471	3,598,471
	<u>3,598,471</u>	<u>-</u>	<u>3,598,471</u>	<u>3,598,471</u>	<u>3,598,471</u>
Financial assets not measured at fair value					
Bank balances	-	88,484	88,484		
Dividend, profit and other receivables	-	10,860	10,860		
Receivable against sale of investments	-	48,719	48,719		
Advances and deposits	-	2,814	2,814		
	<u>-</u>	<u>150,877</u>	<u>150,877</u>		
Financial liabilities not measured at fair value					
Payable to the Management Company	-	17,824	17,824		
Payable to the Trustee	-	386	386		
Dividend payable	-	12,236	12,236		
Payable against purchase of investments	-	120,368	120,368		
Accrued expenses and other liabilities	-	7,687	7,687		
	<u>-</u>	<u>158,501</u>	<u>158,501</u>		
----- (Rupees in '000) -----					
June 30, 2020 (Audited)					
	Carrying amount			Fair value	
	Fair value through profit or loss	Amortized cost	Total	Level 1	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Listed equity securities	2,438,432	-	2,438,432	2,438,432	2,438,432
	<u>2,438,432</u>	<u>-</u>	<u>2,438,432</u>	<u>2,438,432</u>	<u>2,438,432</u>
Financial assets not measured at fair value					
Bank balances	-	298,097	298,097		
Dividend, profit and other receivables	-	6,618	6,618		
Receivable against sale of investments	-	601	601		
Deposits	-	2,800	2,800		
	<u>-</u>	<u>308,116</u>	<u>308,116</u>		
Financial liabilities not measured at fair value					
Payable to the Management Company	-	12,751	12,751		
Payable to the Trustee	-	295	295		
Payable against purchase of investments	-	42,998	42,998		
Accrued expenses and other liabilities	-	4,418	4,418		
	<u>-</u>	<u>60,462</u>	<u>60,462</u>		

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

During the period ended 31 December 2020, there were no transfers between levels of 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.

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 were authorised for issue on 8 February 2021 by the Board of Directors of the Management Company.

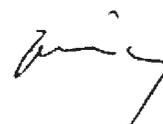
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

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