



**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2022**  
(UNAUDITED)

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



# **ALHAMRA DAILY DIVIDEND FUND**

## TABLE OF CONTENTS

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<b>1</b>	<b>Fund's Information</b>	<b>456</b>
<b>2</b>	<b>Report of the Directors of the Management Company</b>	<b>457</b>
<b>3</b>	<b>Condensed Interim Statement of Assets And Liabilities</b>	<b>465</b>
<b>4</b>	<b>Condensed Interim Income Statement (Un-audited)</b>	<b>466</b>
<b>5</b>	<b>Condensed Interim Statement of Comprehensive Income (Un-audited)</b>	<b>467</b>
<b>6</b>	<b>Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)</b>	<b>468</b>
<b>7</b>	<b>Condensed Interim Cash Flow Statement ( Un-audited)</b>	<b>469</b>
<b>8</b>	<b>Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)</b>	<b>470</b>

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	MCB Bank Limited Bank Al-Habib Limited Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Silk Bank Limited Faysal Bank Limited National Bank of Pakistan MCB Islamic Bank Limited Askari Bank Limited Allied Bank Limited Soneri Bank Limited Al Baraka Bank Pakistan Limited	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	



# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

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**Dear Investor,**

On behalf of the Board of Directors, we are pleased to present **Alhamra Daily Dividend Fund** accounts review for the nine months & quarter ended March 31, 2022.

## **Economy and Money Market Review**

Political turmoil in the country has taken the central stage in past few weeks where we witnessed ruling party coalition government lost majority in the National Assembly and overthrown by opposition led coalition. In the backdrop of weak economic environment, the transition resulted in significant volatility in equity, fixed income and exchange rate markets. In heightened political environment, markets will increasingly focus on efforts of the new government on policies and measures taken to stabilize the economy.

The fiscal year (July – June) started on strong note with government's renewed focus on reviving growth through several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing and incentives on capital investment at lower rates (TERF), which further supported to growth premise. However, the sharp recovery in domestic demand, coupled with rising international commodity prices, led to a strong pick-up in imports and a commensurate increase in the current account deficit. The start of Russia Ukraine conflict inflicted additional misery as international commodities prices spiked up further to multi-year high.

The country posted a current account deficit of USD 12.1bn in 8MFY22 compared to a surplus of USD 1.0bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 10.6bn in first eight months of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 49.1% in 8MFY22 compared to export growth of 28.1%. Trade Deficit increased by 70.2% to USD 27.3bn compared to USD 16.0bn in same period last year. The unprecedented increase in imports mainly came from historic high prices of our commodity basket including crude oil, palm oil, coal coupled with one time vaccines imports. As per our estimates, prices contributed more than two-third of the increase in import bill.

Foreign exchange reserves of central bank saw a decrease of USD 5.3bn on account of higher current account deficit and debt repayments. Pakistan was also unable to timely roll over commercial loan of USD 2.2bn from China which put further pressure on reserves. In addition, a USD 900mn penalty payment to settle Reko Dik case further dragged the reserves to 22 months' low of USD 11.3bn, implying an import cover of hardly a couple of months. These outflows coupled with widening current account deficit led PKR to lost ground against USD by 14.1% since start of the fiscal year.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 10.7% in 9MFY22 compared to 8.4% in 9MFY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and fuel) and second round impact of PKR depreciation, which keeps the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upward trend as it increased to 9.5% in March 2022 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 525bps to 12.75% in the fiscal year to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 29.1% in 9MFY22 to PKR 4,382bn compared to PKR 3,394bn during same period last year. This exceeded the target of 4,134bn by 248bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected on import stage.

Secondary markets yields have increased significantly in 9MFY22 as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

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will add pressure to inflation and we expect average inflation numbers to remain elevated in medium term. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 2.4%, 2.1% and 1.4%, respectively during the period.

### FUND PERFORMANCE

During the period, ALHDDF generated a return of 8.9% as compared to a return of 3.18% witnessed by the Benchmark, outperforming the benchmark by 7.10%. The Fund kept its exposure in cash at 97.7% towards the period end.

The Net Assets of the fund as at March 31, 2022 stood at Rs. 6,209 million. The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 100.00.

### Economy & Market – Future Outlook

The ongoing Russia – Ukraine war has kept international commodity prices at elevated levels which have exacerbated fears about the import bill and external outlook going forward. In addition, due to political pressure the government resorted to the populist move to absorb the hike in international energy prices and keep petroleum prices unchanged. This has undermined the structural reform process and put the IMF program on hold. Going forward the new government will have to engage with the IMF and find the right balance of growth and external account sustainability.

We estimate GDP to grow by 4.5% this year, slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services sectors to grow by 4.5%, 4.1% and 4.5% respectively. Industrial sector growth is likely to remain robust but below government's target due to demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to growth in wheat and cotton crop. The Covid vaccination roll out has been quite successful which is anticipated to unleash Services growth as this segment was the most affected by the pandemic.

The persistently elevated international commodities prices especially petroleum, palm oil, fertilizers and steel, has led to a strong pick-up in imports and a rise in the current account deficit, which we expect to close the year around USD 19.0bn (5.7% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2bn (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 192 against a dollar.

Successful resumption of the IMF program will be a key prerequisite to keep the financial account in positive zone. The SBP is expected to continue to discourage unnecessary imports and use flexible market determined exchange rate and appropriate monetary policy setting to ensure sustainable external account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

We expect Average FY22 and FY23 inflation to clock at 11.6% and 13.8% respectively assuming international oil stays above USD 100/bbl. The recent hike in commodity prices and the resultant currency depreciation is likely to keep inflation numbers elevated in near term. In the recent monetary policy held in April-22 SBP increased policy rate by 250bps to 12.25% due to significant uncertainty around outlook for international commodities and global financial condition as result of Russia Ukraine war. As per the SBP the recent rate hike increased forward looking interest rates to mildly positive territory. Thus we may be at the end of monetary tightening cycle.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 13.4%, a discount of 69% from its historical average. Similarly, risk premiums are close to 6.0%, compared to historical average of 1.9% signifying deep

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

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discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 5.7x, while offering a dividend yield of 8.3%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to remain at elevated levels given inflationary pressure. 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 7.4% during the nine months to PKR 1,093bn. Total money market funds grew by about 11.9% since June 2021. Within the money market sphere, the conventional funds dominated with a growth of about 19.6% to PKR 341bn while Islamic funds declined by 0.2% to PKR 181bn. In addition, the total fixed Income funds increased by about 17.7% since June 2021, as the conventional income funds rose by 21.5% to PKR 153bn. Equity and related funds declined by 11.3% as market witnessed a decline in 9MFY22 eroding AUMS as concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 47.8%, followed by Income funds with a share of 26.4% and Equity and Equity related funds having a share of 24.3% as at the end of 9MFY22.

### Mutual Fund Industry Outlook

The recent increase in interest rates would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. 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  
April 20, 2022



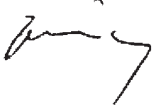
**Nasim Beg**  
Director/Vice Chairman  
April 20, 2022

## ڈائریکٹرز رپورٹ

اظہارِ تشکر

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

من جانب ڈائریکٹرز



نسیم بیگ  
ڈائریکٹر / وائس چیئرمین  
20 اپریل 2022ء



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
20 اپریل 2022ء

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز کے تناظر سے، اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuation کھل گئی ہے۔ مارکیٹ نے سود کی شرح میں اضافے اور روپے کی قدر میں کمی سے فائدہ اٹھایا ہے۔ مارکیٹ cap کا مجموعی ملکی پیداوار (جی ڈی پی) کے ساتھ تناسب کم ہو کر 13.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 69 فیصد کی ہے۔ اسی طرح، ریسک پریمیئم 6.0 فیصد کے قریب ہیں جو اپنے قدیم اوسط 1.9 فیصد کے مقابلے میں مارکیٹ میں جاری تجارت میں گہری رعایت کی نشاندہی کرتے ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد تصویر 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۔ فی الوقت مارکیٹ میں 5.7 گنا PER پر تجارت ہو رہی ہے جبکہ 8.3 فیصد ڈیویڈنڈ منافع پیش کیا جا رہا 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 کے منافع جات افراط زر کے دباؤ کے باعث بلند سطحوں پر برقرار رہیں گے۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

#### میوچل فنڈ صنعت کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ کے دوران اوپن end میوچل فنڈ صنعت کے inet اثاثہ جات تقریباً 7.4 فیصد بڑھ کر 1,093 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2021ء کے بعد سے تقریباً 11.9 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے جو تقریباً 19.6 فیصد بڑھ کر 341 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 0.2 فیصد کم ہو کر 181 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء سے تقریباً 17.7 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈز 21.5 فیصد بڑھ کر 153 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں 17.7 فیصد کمی ہوئی کیونکہ مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مارکیٹ تنزل کا شکار رہی جس کے نتیجے میں مجموعی معاشی اور جغرافیائی-سیاسی عوامل پر تشویش کے باعث سرمایہ کاروں کی حوصلہ شکنی اثاثہ جات تحت الانتظامیہ (AUMs) میں انحطاط کا سبب بنی۔

شعبہ جاتی اعتبار سے منی مارکیٹ فنڈز تقریباً 47.8 فیصد حصے کے ساتھ سب سے آگے رہے، جبکہ انکم فنڈز 26.4 فیصد حصے اور ایکویٹی اور ایکویٹی سے متعلقہ فنڈز 24.3 فیصد حصے کے ساتھ بالترتیب دوسرے اور تیسرے نمبر پر رہے۔

#### میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں حالیہ اضافے سے منی مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ منی مارکیٹ فنڈز اپنی مختصر میعاد کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ہوں گے جو مختصر مدت کے لیے کم خطرات کے ساتھ چلنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکویٹی میں سرمایہ کاری کرنا چاہیں گے۔ 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۔

جہت کے امکانات سے متعلق اندیشوں میں اضافہ ہوا ہے۔ مزید برآں، حکومت نے سیاسی دباؤ کے باعث populist (یعنی عوام کی مملکت کا) قدم اٹھایا تاکہ توانائی کی بین الاقوامی قیمتوں کو جذب کیا جاسکے اور پٹرولیم کی قیمتوں کو غیر تبدیل شدہ رکھا جاسکے۔ اس کے نتیجے میں بنیادی ڈھانچے سے متعلق اصلاح کے عمل میں رکاوٹ پیدا ہوئی اور آئی ایم ایف پروگرام التواء کا شکار ہو گیا ہے۔ مستقبل میں نئی حکومت کو آئی ایم ایف کے ساتھ مربوط ہو کر ترقی اور خارجی اکاؤنٹ کے استحکام کے مابین درست توازن تلاش کرنا ہوگا۔

ہمارے اندازے کے مطابق مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.5 فیصد اضافہ ہوگا، جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ زراعت، صنعت اور خدمات کے شعبوں میں پالترتیب 4.5 فیصد، 4.1 فیصد اور 4.5 فیصد ترقی متوقع ہے۔ صنعتی شعبے کی ترقی تیز رفتار ہو سکتی لیکن حکومتی ہدف سے کم رہے گی کیونکہ مالیاتی سختی کے نتیجے میں طلب منکڑ گئی ہے۔ البتہ گندم اور کپاس کی بہتر فصل کی بدولت زراعت کے شعبے کی ترقی حکومتی تخمینوں سے سبقت لے جاسکتی ہے۔ کووڈ ویکسینیشن کا دورانی کامیاب رہا جس کے نتیجے میں خدمات کے شعبے میں بحالی متوقع ہے کیونکہ یہ شعبہ وباء سے سب سے زیادہ متاثر ہوا تھا۔

مسلل بڑھی ہوئی بین الاقوامی اشیائی قیمتوں، خصوصاً پٹرولیم، پام تیل، کھاد اور اسٹیل، کے نتیجے میں درآمدات میں بھرپور بحالی اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا ہے جو اختتام سال پر ہمارے اندازے کے مطابق تقریباً 19.0 بلین ڈالر (جی ڈی پی کا 5.7 فیصد) ہوگا۔ یہ مالی سال 2018ء میں ہونے والے 19.2 بلین ڈالر خسارے (جی ڈی پی کا 6.1 فیصد) کے بعد تاحال سب سے بڑا خسارہ ہوگا۔ اس بلند خسارے کے رد عمل میں ہم سمجھتے ہیں کہ روپے کی قدر میں مزید کمی ہوگی اور مالی سال کے اختتام پر یہ تقریباً 192 روپے بالمقابل ایک ڈالر ہوگا۔

آئی ایم ایف پروگرام کی کامیاب بحالی مالیاتی اکاؤنٹ کو مثبت محل وقوع میں رکھنے کے لیے کلیدی شرط ہوگی۔ اسٹیٹ بینک آف پاکستان متوقع طور پر غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ سے تعین کردہ لچکدار شرح مبادلہ اور موزوں مالیاتی پالیسی کے ذریعے خارجی اکاؤنٹ کے استحکام کو یقینی بنائے گا۔ ترسیلات زر بمع دو جہتی اور کثیر الجہتی آمدات بھی خارجی اکاؤنٹ کو سنبھالنے میں اہم عوامل ثابت ہوں گے۔

افراط زر کا اوسط مالی سال 2022ء میں 11.6 فیصد اور مالی سال 2023ء میں 13.8 فیصد متوقع ہے بشرطیکہ تیل کی بین الاقوامی قیمت 100 ڈالر فی بیرل برقرار رہے۔ اشیائی قیمتوں میں حالیہ اضافہ اور اس کے نتیجے میں ہونے والی روپے کی قدر میں کمی کے باعث افراط زر کے قریب المیاد میں بلند رہنے کا امکان ہے۔ حالیہ مانیٹری پالیسی منعقدہ اپریل 2022ء میں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں 250 بی پی ایس اضافہ کر کے اسے 12.25 فیصد کر دیا کیونکہ روس اور یوکرین کے مابین جنگ کے باعث بین الاقوامی اشیائی قیمتوں اور عالمی مالی حالات میں غیر یقینی صورتحال پیدا ہو گئی ہے۔ ایس بی پی کے مطابق شرح میں حالیہ اضافے کے نتیجے میں forward looking شروع سود بڑھ کر معتدل حد تک مثبت محل وقوع میں آگئی ہیں۔ چنانچہ مالیاتی سختی کے دور کا اختتام متوقع ہے۔



افراطِ زر باعثِ تشویش بنی رہی کیونکہ بڑھتی ہوئی اشیائی قیمتوں کی وجہ سے پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراطِ زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط مالی سال 2022ء کے ابتدائی نو ماہ میں 10.7 فیصد تھا، جبکہ مالی سال 2021ء کے ابتدائی نو ماہ میں 8.4 فیصد تھا۔ اس اضافے کی بنیادی وجوہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتیں، توانائی (بجلی اور ایندھن، دونوں) کی لاگتوں میں اضافہ، اور پاکستانی روپے کی قدر میں کمی کے دوسرے مرحلے کا اثر تھیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔ بنیادی افراطِ زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، میں بھی اضافے کا رجحان رہا اور مارچ 2022ء میں 9.5 فیصد تک جا پہنچی، جبکہ جون 2021ء میں 6.9 فیصد تھی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) پالیسی شرح میں مجموعی طور پر 525 بیس پوائنٹس (بی پی ایس) کا اضافہ کر کے اسے 12.75 فیصد تک لے گیا تاکہ افراطِ زر کے دباؤ اور مجموعی طلب میں سُست روی کا مقابل کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے ابتدائی نو ماہ میں 29.1 فیصد بڑھ کر 4,382 بلین روپے تک پہنچ گئی جو 4,134 بلین روپے کے ہدف سے 248 بلین روپے زیادہ تھی، جبکہ گزشتہ سال مماثل مدت کے دوران 3,394 بلین روپے تھی۔ اس بہتر کارکردگی کی بنیادی وجہ درآمد کے مرحلے پر پہلے سے زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹوں کے منافع جات میں مالی سال 2022ء میں قابل ذکر اضافہ ہوا ہے کیونکہ ایس بی پی نے مالیاتی سختی کے دور کا آغاز کر دیا۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بڑھی ہوئی اشیائی قیمتوں سے افراطِ زر پر دباؤ میں اضافہ ہوگا اور افراطِ زر کا اوسط درمیانی مدت میں متوقع طور پر بلند رہے گا۔ تین، پانچ اور دس سالہ بانڈز کے منافع جات میں دورانِ مدت بالترتیب 2.1، 2.4 اور 1.4 فیصد اضافہ ہوا۔

## فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران الحماڑہ لیڈیوڈ فنڈ نے 3.18 فیصد کے مقررہ منافع کے مقابلے میں (7.10) فیصد اضافے کے ساتھ 8.9 فیصد کا منافع حاصل کیا۔ فنڈ نے مدت کے اختتام پر اپنی سرمایہ کاری کو 97.7 فیصد نقد میں رکھا۔ 31 مارچ 2022ء کو فنڈ کے خالص اثاثے 6,209 ملین روپے رہے۔ 31 مارچ 2022ء کو نیٹ ایسٹ ویلیو (این اے وی) فی یونٹ 100.00 روپے تھی۔

## معیشیت اور بازار - مستقبل کے امکانات

روس اور یوکرین کے مابین جاری جنگ نے بین الاقوامی اشیائی قیمتوں کو بلند سطحوں پر رکھا ہوا ہے جس کے باعث درآمداتی بل اور خارجی

بورڈ آف ڈائریکٹرز کی جانب سے الحمرا ڈیلی ڈیویڈنڈ فنڈ کے گوشواروں کا جائزہ برائے نومبر اور سہ ماہی مختتمہ 31 مارچ 2022ء پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

گزشتہ کچھ ہفتوں کے دوران ملک میں سیاسی افراتفری توجہ کا مرکز بنی رہی۔ حکمران جماعت نے قومی اسمبلی میں اکثریت کھودی اور حزب اختلاف کی قیادت میں بننے والے اتحاد کے ہاتھوں حکومت کا تختہ الٹ گیا۔ یہ تبدیلی پہلے سے ہی کمزور معاشی ماحول کے پس منظر میں ایکوٹی، مقررہ آمدنی اور شرح مبادلہ کی مارکیٹوں میں عدم استحکام کا باعث بنی۔ اس مضطرب سیاسی ماحول میں مارکیٹیں نئی حکومت کی معیشت کو مستحکم کرنے کی پالیسیوں اور اقدام کی منتظر ہیں۔

مالی سال (جولائی-جون) کا آغاز مضبوط نوٹ کے ساتھ ہوا جس میں حکومت کی جانب سے مالی سال 2022 (FY22) کے بجٹ میں کئی مراعات کے ذریعے ترقی کی بحالی پر نئی توجہ مرکوز کی گئی۔ یہ مالیاتی تسہیل کے تاخیری اثر اور کم شرحوں (TERF) پر سرمایہ کاری کی ترغیبات پر مستزاد تھا جس سے ترقی کو مزید معاونت حاصل ہوئی۔ تاہم مقامی طلب میں تیز رفتار بحالی اور اس کے ساتھ ساتھ بڑھتی ہوئی بین الاقوامی اشیائی قیمتوں کے نتیجے میں درآمدات میں بھی بھرپور بحالی ہوئی اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ روس اور یوکرین کے مابین تنازعے کے باعث مشکلات میں اضافہ ہوا کیونکہ بین الاقوامی اشیائی قیمتیں کئی برسوں کی بلند ترین سطح پر پہنچ گئیں۔

مالی سال 2022ء کے ابتدائی آٹھ ماہ میں ملک کا کرنٹ اکاؤنٹ خسارہ 12.1 بلین ڈالر تھا، جبکہ گزشتہ سال کی مماثل مدت میں 1.0 بلین ڈالر فاضل (منافع) تھا۔ یہ مالی سال 2018ء کے ابتدائی آٹھ ماہ میں ہونے والے 10.6 بلین ڈالر خسارے سے تاحال سب سے زیادہ خسارہ تھا۔ اس کی بنیادی وجہ ابتدائی آٹھ ماہ درآمدات میں 49.1 فیصد اضافہ تھی، جبکہ برآمدات میں اضافہ 28.1 فیصد تھا۔ تجارتی خسارہ 70.2 فیصد بڑھ کر 27.3 بلین ڈالر ہو گیا، جبکہ گزشتہ سال مماثل مدت میں 16.0 بلین ڈالر تھا۔ درآمدات میں یہ فقید المثال اضافہ ہماری اشیائی basket کی قدیم بلند قیمتوں کی بدولت ہوا، بشمول خام تیل، پام تیل، کونڈہ اور اس کے ساتھ ساتھ ویکسین کی یکبار درآمد۔ ہمارے اندازے کے مطابق درآمداتی بل میں قیمتوں کا دو تہائی حصہ تھا۔

مرکزی بینک کے زیر مبادلہ کے ذخائر میں 5.3 بلین ڈالر کمی ہوئی جس کی وجہ کرنٹ اکاؤنٹ کا بلند تر خسارہ اور ادائیگی و قرض میں اضافہ تھا۔ علاوہ ازیں، پاکستان چین سے 2.2 بلین ڈالر کے تجارتی قرض کی بروقت تجدید نہیں کر سکا جس کے باعث ذخائر پر مزید باؤ پڑا۔ مزید برآں، ریکوڈک معاملے کو نمٹانے کے لیے 900 ملین ڈالر جرمانے کی ادائیگی کے باعث ذخائر گزشتہ 22 ماہ کی پست ترین سطح 11.3 بلین ڈالر پر پہنچ گئے، یعنی بمشکل کچھ ماہ کا درآمداتی cover۔ یہ اخراجات بمع پھیلتے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجے میں روپے کی ڈالر کے مقابلے میں قدر مالی سال کے آغاز سے 14.1 فیصد کم ہو گئی۔



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4.	6,074,588	2,176,906
Investments	5.	87,009	146,650
Mark-up, advance and other receivables		56,215	23,988
<b>Total assets</b>		<b>6,217,812</b>	<b>2,347,544</b>
<b>LIABILITIES</b>			
Payable to the Management Company		1,716	434
Dividend payable		1,599	346
Accrued expenses and other liabilities	7	5,880	68,195
<b>Total liabilities</b>		<b>9,195</b>	<b>68,975</b>
<b>NET ASSETS</b>		<b>6,208,617</b>	<b>2,278,569</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>6,208,617</b>	<b>2,278,569</b>
<b>Contingencies and commitments</b>	8		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>62,086,177</b>	<b>22,785,693</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>100.0000</b>	<b>100.0000</b>

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

		Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		(Rupees in '000)			
<b>INCOME</b>					
Mark up on:					
Balances with banks		125,893	88,117	77,518	14,637
Investments		18,823	34,367	8,162	14,994
<b>Total income</b>		<b>144,716</b>	<b>122,484</b>	<b>85,680</b>	<b>29,631</b>
<b>EXPENSES</b>					
Remuneration of the Management Company 6.1		5,411	4,505	2,004	1,084
Sindh sales tax on remuneration of the Management Company		703	586	260	141
Allocated expenses		484	985	-	-
Selling and marketing expenses		-	2,586	-	-
Brokerage Expense Money Market Transactions		4	15	-	-
<b>Total expenses</b>		<b>6,602</b>	<b>8,677</b>	<b>2,264</b>	<b>1,225</b>
<b>Net income from operating activities</b>		<b>138,114</b>	<b>113,807</b>	<b>83,416</b>	<b>28,406</b>
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF) 7.1		(7,516)	2,277	-	569
<b>Net income for the period before taxation</b>		<b>145,630</b>	<b>111,530</b>	<b>83,416</b>	<b>27,837</b>
Taxation 9		-	-	-	-
<b>Net income for the period</b>		<b>145,630</b>	<b>111,530</b>	<b>83,416</b>	<b>27,837</b>
<i>Allocation of net income for the period:</i>					
Net income for the period		145,630	111,530		
Income already paid on units redeemed		-	-		
		<b>145,630</b>	<b>111,530</b>		
<i>Accounting income available for distribution:</i>					
- Relating to capital gains		-	-		
- Excluding capital gains		145,630	111,530		
		<b>145,630</b>	<b>111,530</b>		
<b>Earnings per unit</b>	10				

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022**

	Nine months period ended		Quarter ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>145,630</b>	111,530	<b>83,416</b>	27,837
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>145,630</b>	111,530	<b>83,416</b>	27,837

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine Months ended March 31, 2022			Nine Months ended March 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	2,278,569	-	2,278,569	3,236,901	-	3,236,901
Issuance of 108,637,584 (2021: 59,650,968) units						
- Capital value (at net asset value per unit at the beginning of the period)	10,863,758	-	10,863,758	5,965,098	-	5,965,098
- Element of income	-	-	-	-	-	-
	10,863,758	-	10,863,758	5,965,098	-	5,965,098
Redemption of 69,337,100 (2021: 76,286,366) units						
- Capital value (at net asset value per unit at the beginning of the period)	(6,933,710)	-	(6,933,710)	(7,628,636)	-	(7,628,636)
- Amount paid out of element of income	-	-	-	-	-	-
- Relating to 'Net income for the period after taxation'	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	-	-	-	-	-	-
	(6,933,710)	-	(6,933,710)	(7,628,636)	-	(7,628,636)
Total comprehensive income for the period	-	145,630	145,630	-	111,530	111,530
Distribution during the period	-	(145,630)	(145,630)	-	(111,530)	(111,530)
Net income for the period less distribution	-	-	-	-	-	-
<b>Net assets at end of the period</b>	<b>6,208,617</b>	<b>-</b>	<b>6,208,617</b>	<b>1,573,363</b>	<b>-</b>	<b>1,573,363</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	145,630	145,630	145,630	111,530	111,530	111,530
Distribution during the period	(145,630)	(145,630)	(145,630)	(111,530)	(111,530)	(111,530)
Undistributed income carried forward	-	-	-	-	-	-
<b>Undistributed income carried forward comprising of:</b>						
- Realised	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-
	-	-	-	-	-	-
		-- (Rupees) --			-- (Rupees) --	
Net assets value per unit at beginning of the period		100.0000			100.0000	
Net assets value per unit at end of the period		100.0000			100.0000	

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine Months ended	
	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	145,630	111,530
<b>Adjustments for non cash and other items:</b>		
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF)	(7,516)	2,277
<b>(Increase) / decrease in assets</b>		
Mark-up, advance and other receivables	(32,227)	15,716
Investments	59,641	16,279
	27,414	31,995
<b>Increase / (Decrease) in liabilities</b>		
Payable to Management Company	1,282	(2,803)
Dividend payable	1,253	(450)
Accrued expenses and other liabilities	(54,799)	2,464
	(52,264)	(789)
<b>Net cash generated from operating activities</b>	<b>113,264</b>	<b>145,013</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received on issuance of units	10,863,758	5,965,097
Cash paid for redemption of units	(6,933,710)	(7,628,637)
Cash distribution	(145,630)	(111,530)
<b>Net cash generated from / (used) in financing activities</b>	<b>3,784,418</b>	<b>(1,775,070)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>3,897,682</b>	<b>(1,630,057)</b>
Cash and cash equivalents at beginning of the period	2,176,906	2,796,317
<b>Cash and cash equivalents at end of the period</b>	<b>6,074,588</b>	<b>1,166,260</b>

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

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



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Daily Dividend Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 07, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 30, 2017 in accordance with Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end mutual fund and has been categorised as "Islamic Income Scheme" by the Board of Directors of the Management Company and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The Fund shall primarily invest in shariah compliant money market investment and debt securities having good credit rating and liquidity.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 6, 2021 to the Management Company and AA-(f) to the Fund in its rating report dated March 09, 2022.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 During the current period, the Trust Act, 1882 has been repealed and provincial trust acts have been issued in consequence to the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2021. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2022.
- 2.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2021.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>4. BALANCES WITH BANKS</b>			
In current account	4.1	8,842	5,100
In saving accounts	4.2	6,065,746	2,171,806
		<u>6,074,588</u>	<u>2,176,906</u>

4.1 Current account is maintained with MCB Bank Limited, a related party.

4.2 These carry profit at the rates ranging from 10.25% to 11.35% (June 30, 2021: 5.5% to 7%) per annum. These include a balance of Rs. 2.678 (June 30, 2021: Rs. 2.03) million held with MCB Islamic Bank Limited, a related party.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Commercial paper	5.1	87,009	146,650
		<u>87,009</u>	<u>146,650</u>

## 5.1 Commercial paper - at fair value through profit and loss

Name of Security	Rate of return per annum	Issue Date	Maturity Date	As at March 31, 2022 (Rupees in '000)
K-Electric Limited - ICP 24	9.57%	16-Nov-21	16-May-22	87,009
<b>Total as at March 31, 2022 (Un-audited)</b>				<u>87,009</u>
<b>Total as at June 30, 2022 (Audited)</b>				<u>146,650</u>

		March 31, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>6. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable	6.1	917	384
Sales tax on remuneration payable		119	50
Sale Load Payable		681	-
		<u>1,716</u>	<u>434</u>

6.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per the offering document, the management company charged management fees at the rate of up to 20% of the gross earnings of the scheme, calculated on a daily basis. Provided the fund is subject to a minimum fee of 0.25% of the average daily net assets of the scheme. The remuneration is payable to the Management Company monthly in arrears.

Subsequent to period end, with effect from January 07, 2022, the minimum fee of 0.25% has been removed through supplement offering document dated December 31, 2021.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	-	7,516
Withholding tax payable		4,642	655
Brokerage Payable Money Market		-	60,022
Sale Load payable		-	2
Other Payable		1,238	-
		<u>5,880</u>	<u>68,195</u>



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

- 7.1** Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contributions. This development was discussed at MUFAP level and was also been taken up with the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

'SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

## **8 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at March 31, 2022 (June 30, 2021: Nil).

## **9 TAXATION**

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the period as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. 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. Since the management has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial statements.

## **10. 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.

## **11. INTERIM DISTRIBUTION**

The Fund makes distribution on daily basis as per clause 12.1 of Trust Deed and 5.1 of the Offering Document. During the period, the Management Company on behalf of the Fund, have distributed net profit amounting to Rs. 145,630 (March 31, 2021: Rs.111,530) million as dividend and that dividend has been re-invested after deducting applicable taxes in the form acceptable by SECP that may qualify under tax laws. The SECP has approved the above arrangement vide letter No. SCD/AMCW/MCBAHSIL/ADDF/297/2018 dated March 13, 2018.

## **12. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES**

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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

## 12.1 Unit Holders' Fund

For the Nine Months ended March 31, 2022 (Un-Audited)								
Group / associated company	As at July 01, 2021	Issued for cash / conversion in / transferred in / Dividend	Redeemed / conversion out / transfer out	As at March 31, 2022	As at July 01, 2021	Issued for cash / conversion in / transferred in / Dividend Reinvested	Redeemed / conversion out / transfer out	Amount outstanding as at March 31, 2022
		(Units)				(Rupees in '000)		
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	240,145	-	240,145	-	24,015	-	24,015
Arif Habib Securities Limited - Employees Provident Fund Trust	77,053	10,227	85,090	2,190	7,705	1,023	8,509	219
Key management personnel*	25,347	660,509	532,608	153,248	2,535	66,051	53,261	15,325
Mandate under Discretionary Portfolio	-	1,180,690	-	1,180,690	-	118,069	-	118,069
Unit Holder holding 10% or more units*	-	19,639,877	-	19,639,877	-	1,963,988	-	1,963,988

\* This reflects the position of related party / connected persons status as at March 31, 2022.

For the Nine Months ended March 31, 2021 (Un-Audited)								
Group / associated company	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at March 31, 2021
		(Units)				(Rupees in '000)		
MCB-Arif Habib Savings Investment Limited - Management Company	-	3,502,354	3,502,354	-	-	350,235	350,235	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	27,768	1,327	-	29,094	2,777	133	-	2,909
Arif Habib Securities Limited - Employees Provident Fund Trust	69,448	11	69,459	-	6,945	1	6,946	-
MCB Islamic Bank Limited	-	2,254,759	2,254,759	-	-	225,476	225,476	-
Adamjee Life Assurance Company Limited - Provident Fund	54,220	2,212	56,432	-	5,422	221	5,643	-
Key management personnel*	39,489	977,215	970,021	46,683	3,949	97,721	97,002	4,668

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	(Un-audited)	
	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
<b>12.2 Transactions during the period:</b>		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration (including indirect taxes)	6,114	5,091
Allocated expenses	484	985
Selling and marketing expenses	-	2,586
<b>MCB Islamic Bank Limited - Group / associated company</b>		
Profit on balance with bank	11	-
	(Un-audited)	(Audited)
	March 31, 2022	June 30, 2021
	----- (Rupees in '000) -----	
<b>12.3 Balances outstanding at period end:</b>		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration payable	917	384
Sale tax payable on remuneration payable	119	50
Receivable from management company	6	33
Sale Load payable	681	-
<b>MCB Bank Limited - Group / associated company</b>		
Bank balance *	8,842	5,101
Other receivable	471	10,751
<b>MCB Islamic Bank Limited - Group / associated company</b>		
Bank balance	2,678	2,030
<b>Hyundai Nishat Motor Private Limited Employees Provident Fund - Group / associated company</b>		
Dividend payable	7	-
<b>Arif Habib Securities Limited Employee Provided Fund Trust</b>		
Dividend payable	-	1
<b>Key management personnel</b>		
Dividend payable	4	-
<b>Unit Holder Holding 10% or more</b>		
Dividend payable	465	-

\* This represents a balance held in current account.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

### 13. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 0.41% as on March 31, 2022 (March 31, 2021: 0.61%) and this includes 0.04% (March 31, 2021: 0.16%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF).

### 14. GENERAL

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

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

### 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

### 16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 20, 2022 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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