



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2022
(UNAUDITED)

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



ALHAMRA ISLAMIC MONEY MARKET FUND

TABLE OF CONTENTS

1	Fund's Information	367
2	Report of the Directors of the Management Company	368
3	Condensed Interim Statement of Assets And Liabilities	376
4	Condensed Interim Income Statement (Un-audited)	377
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	378
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	379
7	Condensed Interim Cash Flow Statement (Un-audited)	380
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	381

FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Digital Custodian Company Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
Bankers	MCB Bank Limited Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited National Bank Limited Askari Bank Limited Habib Bank Limited	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

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

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Money Market 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 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.

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

FUND PERFORMANCE

During the period under review, the fund posted a return of 8.51% compared to the benchmark return of 3.42%. In addition, the fund's exposure in Cash stood at 87.7%.

The Net Assets of the Fund as at March 31, 2022 stood at Rs. 9,566 million as compared to Rs. 15,258 million as at June 30, 2021 registering a decrease of 37.31%. The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 99.5100 as compared to Rs. 99.5100 at June 30, 2021 as well.

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 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

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

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

تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکوٹی 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 سکے۔

اظہار تشکر

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


من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

20 اپریل 2022ء



نسیم بیگ

ڈائریکٹر اوٹس چیئر مین

20 اپریل 2022ء

ڈائریکٹرز رپورٹ

باعث بین الاقوامی اشیائی قیمتوں اور عالمی مالی حالات میں غیر یقینی صورتحال پیدا ہوگئی 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۔

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 کمی ہے۔ اسی طرح، رسک 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 net 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 برآں، 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 الانظامیہ (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

معیشت 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 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 بالترتیب 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 منکونگئی 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 ڈور کافی کامیاب رہا جس کے نتیجے میں خدمات کے شعبے میں بحالی متوقع ہے کیونکہ یہ شعبہ و بآء 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 چکدار شرح مبادلہ اور موزوں مالیاتی پالیسی کے ذریعے خارجی اکاؤنٹ کے استحکام کو یقینی بنائے گا۔ ترسیلات زریعہ 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 المیعاد 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

ڈائریکٹرز رپورٹ

افراط زر باعث تشویش بنی رہی کیونکہ بڑھتی ہوئی اشیائی قیمتوں کی وجہ سے پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط 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 افراط 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 افراط زر کے دباؤ اور مجموعی طلب میں سست 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 ساتھ مسلسل بڑھی ہوئی اشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور افراط زر کا اوسط درمیانی مدت میں متوقع طور پر بلند رہے گا۔ تین، پانچ اور دس سالہ بانڈز کے منافع جات میں دوران مدت بالترتیب 2.1، 2.4 اور 1.4 فیصد اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 3.42 فیصد کے مقررہ منافع کے مقابلے میں 8.51 فیصد کا منافع پوسٹ کیا۔ اس کے علاوہ کمیشن میں فنڈ کی سرمایہ کاری 87.7 فیصد رہی۔

31 مارچ 2022ء کو فنڈ کے خالص اثاثے 9,566 ملین روپے رہے جبکہ 30 جون 2021ء کو فنڈ کے اثاثے 15,258 ملین روپے تھے، یعنی 37.31 فیصد کمی درج کی گئی۔

31 مارچ 2022ء کو نیٹ ایسٹ ویلیو (این اے وی) فی یونٹ 99.5100 روپے رہی جبکہ 30 جون 2021ء کو بھی 99.5100 روپے تھی۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمرا اسلامک منی مارکیٹ 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 ایکویٹی، 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 کی 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، کونڈے 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 دباؤ 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 پھیلنے 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

		March 31, 2022 (Unaudited)	June 30 2021 (Audited)
		----- (Rupees in '000) -----	
Assets			
Bank balances	5	8,405,550	7,092,512
Investments	6	1,074,651	8,122,692
Mark-up receivable on investments and bank balances		102,388	64,162
Advances and deposits		1,460	4,214
Receivable from Management Company		-	1,844
Total assets		9,584,048	15,285,424
Liabilities			
Payable to Management Company	7	231	60
Payable to Digital Custodian Company - Trustee		-	818
Payable to the Securities and Exchange Commission of Pakistan		2,175	1,211
Dividend Payable		6,587	5,033
Accrued expenses and other liabilities	8	9,397	20,672
Total liabilities		18,390	27,794
CONTINGENCIES AND COMMITMENTS	10		
NET ASSETS		9,565,658	15,257,630
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,565,658	15,257,630
		(Number of units)	
Number Of Units In Issue		96,127,599	153,327,608
		(Rupees)	
Net Asset Value Per Unit		99.5100	99.5100

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Income				
Markup on investments	278,440	40,838	57,010	36,916
Loss on sale of investments classified as 'at fair value through profit or loss' - net	(70)	(1,922)	-	-
Markup on bank deposit	626,133	144,491	254,937	123,566
Other income	-	25	-	-
Total income	904,503	183,433	311,947	160,483
Expenses				
Remuneration of the management company	13,335	1,581	3,319	1,315
Sindh Sales Tax on remuneration of the Management Company	1,734	205	432	171
Allocated expenses	142	21	-	-
Remuneration of Digital Custodian Company - Trustee	6,115	1,097	1,346	1,019
Sindh Sales Tax on remuneration of trustee	795	143	175	133
Annual fee of Securities and Exchange Commission of Pakistan (Reversal) / provision against Sindh Workers' Welfare Fund	2,086	318	619	311
	(10,909)	3,583	0	3,141
Selling and marketing expenses	3,554	165	-	-
Securities transaction cost	10	109	10	91
Settlement and bank charges	1,069	152	535	114
Fees and subscriptions	249	83	47	45
Legal and professional charges	510	46	43	16
Amortization of preliminary expenses and formation costs	-	20	-	-
Auditors' remuneration	474	200	153	115
Shariah advisory fee	518	97	180	97
Charity expense	507	-	233	-
Printing and related costs	41	32	12	18
Total expenses	20,231	7,852	7,105	6,586
Net income for the period before taxation	884,273	175,581	304,842	153,897
Taxation	-	-	-	-
Net income for the period	884,273	175,581	304,842	153,897
Allocation of Net Income For the period				
Net income for the period	884,273	175,581		
Income already paid on units redeemed	-	(5,309)		
Accounting Income Available for Distribution	884,273	170,272		
Relating to Capital gains-net	-	-		
Excluding capital gains	884,273	170,272		
	884,273	170,272		
Earnings per unit				

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000)-----		----- (Rupees in '000) -----	
Net income for the period	884,273	175,581	304,842	153,897
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	884,273	175,581	304,842	153,897

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

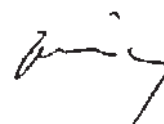
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	March 31, 2022			March 31, 2021		
	(Rupees in '000)					
	Capital value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	15,252,938	4,692	15,257,630	141,325	11,018	152,343
Issue of 136,546,329 units (2021: 254,736,690 units)						
- Capital value	13,587,726	-	13,587,726	25,348,848	-	25,348,848
- Element of income	-	-	-	6,277	-	6,277
Total proceeds on Issuance of units	13,587,726	-	13,587,726	25,355,125	-	25,355,125
Redemption of 193,746,337 units (2021: 124,220,867 units)						
- Capital value	(19,279,698)	-	(19,279,698)	(12,361,219)	-	(12,361,219)
- Element of loss	0	-	-	(5,783)	(5,309)	(11,092)
Total payments on redemption of units	(19,279,698)	-	(19,279,698)	(12,367,002)	(5,309)	(12,372,311)
Total comprehensive income for the period	-	884,273	884,273	-	175,581	175,581
Distribution made during the period (Note 19)	-	(884,273)	(884,273)	(492)	(170,272)	(170,764)
Net income for the period less distribution	-	-	-	(492)	5,309	4,817
Net assets as at the end of the period	9,560,966	4,692	9,565,658	13,128,956	11,018	13,139,974
Undistributed income brought forward						
- Realized income at the beginning of the period		4,692			10,647	
- Unrealized income at the beginning of the period		-			371	
		<u>4,692</u>			<u>11,018</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		884,273			170,272	
		<u>884,273</u>			<u>170,272</u>	
Distributions during the period		(884,273)			(170,272)	
Undistributed income carried forward		<u>4,692</u>			<u>11,018</u>	
Undistributed income carried forward						
- Realized income at the end of the period		4,692			11,018	
- Unrealized income/ (loss) at the end of period		-			-	
		<u>4,692</u>			<u>11,018</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>99.5100</u>			<u>99.5100</u>	
Net assets value per unit at end of the period		<u>99.5100</u>			<u>99.5100</u>	

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	Note	March 31, 2022	March 31, 2021
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		884,273	175,581
Adjustments for:			
Markup on investment and bank balances		(904,573)	(185,329)
Loss on sale of investments classified as 'at fair value through profit or loss' - net		70	-
(Reversal) / provision for Sindh Workers' Welfare Fund		(10,909)	3,583
		<u>(31,139)</u>	<u>(6,165)</u>
Decrease / (increase) in assets			
Investments		7,047,971	(3,077,689)
Advances and deposits		2,754	147
Preliminary expenses and floatation costs		-	54
Receivable from Management Company		1,844	-
Receivable against sale of investments		-	5,180
		<u>7,052,569</u>	<u>(3,072,308)</u>
Increase / (Decrease) in liabilities			
Payable to Management Company		171	507
Payable to Digital Custodian Company - Trustee		(818)	748
Payable to the Securities and Exchange Commission of Pakistan		964	509
Dividend payable		1,555	4,107
Accrued expenses and other liabilities		(366)	(558)
		<u>1,506</u>	<u>5,313</u>
Markup received		866,347	127,590
Net cash flows generated / (used in) from operating activities		<u>7,889,283</u>	<u>(2,945,570)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		13,587,726	25,354,633
Payments on redemption of units		(19,279,698)	(12,372,311)
Distribution during the period		(884,273)	(170,272)
Net cash flows (used in) / generated from financing activities		<u>(6,576,245)</u>	<u>12,812,050</u>
Increase in cash and cash equivalents during the period		<u>1,313,038</u>	<u>9,866,480</u>
Cash and cash equivalents at beginning of the period		7,092,512	43,747
Cash and cash equivalents at end of the period		<u>8,405,550</u>	<u>9,910,227</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Money Market Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. MCB Arif Habib Savings and Investments Limited is the Management Company (Wakeel) of the Fund, and Digital Custodian Company is the Trustee. The Trust Deed was executed on July 22, 2015 (modified and restated on July 17, 2020 for changing the name and category of the fund) and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 16, 2015. 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 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 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.
- 1.3 The Fund was an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 06, 2009 issued by the SECP. Securities and Exchange Commission of Pakistan (SECP) vide its letter # SCD / AMCW / MCBASHSIL / MCBPFPF /03/2020 dated July 14, 2020, has approved the conversion of MCB Pakistan Frequent Payout Fund renamed as Alhamra Islamic Money Market Fund from Asset Allocation Scheme to Islamic Money Market Scheme. The Fund was converted from forward pricing fund to backward pricing fund and NAV of August 20, 2020 is applicable NAV of August 21, 2020. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.5 The title to the assets of the Fund is held in the name of Digital Custodian Company as the Trustee of the Fund.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company and stability rating of 'AA+(f)' dated March 03, 2022 to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 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.

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

- 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

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.

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.

4 FINANCIAL RISK MANAGEMENT

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.

5 BANK BALANCES	<i>Note</i>	March 31, 2022 (Unaudited)	June 30 2021 (Audited)
		---- (Rupees in '000) ----	
Current accounts		-	-
Profit and loss sharing accounts	5.1	<u>8,405,550</u>	<u>7,092,512</u>
		<u>8,405,550</u>	<u>7,092,512</u>

- 5.1** These carry profit rates ranging from 5.5% to 10.90% (30 June 2021: 5.5% to 6.93%) per annum. These balances include Rs. 8.763 million (30 June 2021: Rs. 1.904 million) maintained with MCB Bank Limited (a related party).

6 INVESTMENTS	<i>Note</i>	March 31, 2022 (Unaudited)	June 30 2021 (Audited)
		---- (Rupees in '000) ----	
At fair value through profit or loss			
- Sukuk Certificates - Unlisted	6.1	406,000	352,000
- Commercial Paper	6.2	668,651	1,278,407
- Bi Muajjal	6.3	-	-
- Term Deposit Certificates	6.4	-	-
		<u>1,074,651</u>	<u>1,630,407</u>

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

6.1 Sukuk Certificates - Unlisted

Name of investee company	Note	As at July 01, 2021	Purchased during the period	Disposed / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation/ (diminution)	As percentage of net assets	As percentage of total investments	Investment as a percentage of total issue size
----- (Units in 000) -----					----- (Rupees in 000) -----						
Hub Power Company Limited - Sukuk		352	-	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk		-	352	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk		-	352	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk		-	352	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk	6.1.1	-	406	-	406	406,000	406,000	-	2.66%	37.78%	9.02%
Total as at March 31, 2022 (Un-audited)						406,000	406,000	-			
Total as at June 30, 2021 (Audited)						352,000	352,000	-			

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

6.1.1 The terms and conditions of the sukuk certificates outstanding as at 31 March 2022 are as follows:

Name of investee company	Rating	Tenure	Profit payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Hub Power Company Limited - Sukuk	AA+	6 Months	On maturity	Unsecured	02 November 2021	02 May 2022	6 months KIBOR (8.7%) + (0.8%) (9.51%)

6.2 Commercial Paper

Name of investee company	As at July 01, 2021	Purchased during the period	Disposed / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation/ (diminution)	As percentage of net assets	As percentage of total investments	Investment as a percentage of total issue size
----- (Units in 000) -----					----- (Rupees in 000) -----					
K Electric ICP 14	675	-	675	-	-	-	-	-	-	-
K Electric ICP 15	200	400	600	-	-	-	-	-	-	-
K Electric ICP 16	170	340	510	-	-	-	-	-	-	-
K Electric ICP 17	250	500	750	-	-	-	-	-	-	-
K Electric ICP 21	-	675	675	-	-	-	-	-	-	-
K Electric ICP 23	-	400	-	400	396,749	396,749	-	4.15%	36.92%	11.34%
K Electric ICP 24	-	275	-	275	271,902	271,902	-	2.84%	25.30%	7.77%
Total as at 31 March 2022 (Un-Audited)	1,295	2,590	3,210	675	668,651	668,651	0.00%			
Total as at 30 June 2021 (Audited)					1,295	1,278,407	1,278,407	-		

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

The terms and conditions of commercial papers outstanding as at March 31, 2022 are as follows:

Description - Commercial Papers	Issue Date	Maturity Date	Term	Mark-up rate	Total Face Value (maturity value)
K Electric ICP 23	4-Nov-21	4-May-22	6 months	9.410%	400,000
K Electric ICP 24	16-Nov-21	16-May-22	6 months	9.570%	275,000
					675,000

6.3 Bai Muajjal

Description	As at July 01, 2021	Transaction executed during the period	Mark-up accrued during the period	Matured during the period	Carrying Value as at March 31, 2022	Carrying value as a percentage of net assets of Fund	Carrying value as a percentage of total investments
----- (Rupees in '000) -----					----- (%) -----		
Total as at March 31, 2022 (Un-audited)	3,892,285	2,328,321	-	6,220,606	-		
Total as at June 30, 2021 (Audited)	-	5,468,061	40,014	1,615,790	3,892,285		

6.4 Term Deposit Certificates

Name of the investee company	Rate of return per annum	Maturity	Rating	As at July 01, 2021	Purchased during the period	Matured / Sold during the period	As at March 31, 2022
----- (Rupees in 000) -----							
Faysal Bank Limited	7.25%	12-Jul-21	AA	1,300,000	-	1,300,000	-
Askari Bank Limited	7.05%	14-Sep-21	AA+	1,300,000	-	1,300,000	-
Faysal Bank Limited	7.75%	6-Oct-21	AA	-	1,700,000	1,700,000	-
Askari Bank Limited	6.85%	23-Sep-21	AA+	-	1,700,000	1,700,000	-
Faysal Bank Limited	7.75%	6-Jan-22	AA	-	1,350,000	1,350,000	-
Meezan Bank Limited	7.40%	29-Nov-21	AAA	-	1,300,000	1,300,000	-
Faysal Bank Limited	8.50%	2-Dec-21	AA	-	1,350,000	1,350,000	-
Askari Bank Limited	7.30%	23-Dec-21	AA+	-	1,675,000	1,675,000	-
Meezan Bank Limited	10.00%	9-Mar-22	AAA	-	1,300,000	1,300,000	-
Askari Bank Limited	10.10%	14-Mar-22	AA+	-	650,000	650,000	-
Askari Bank Limited	10.10%	14-Mar-22	AA+	-	650,000	650,000	-
Total as at 31 March 2022 (Un-Audited)				2,600,000	11,675,000	14,275,000	-
Total as at 30 June 2021 (Audited)				-	2,600,000	-	2,600,000

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

			March 31 2022 (Unaudited) ---- (Rupees in '000) ----	June 30 2021 (Audited)
7	PAYABLE TO MANAGEMENT COMPANY	<i>Note</i>		
	Management remuneration payable		149	-
	Sindh Sales Tax payable on management remuneration		22	-
	Shariah Advisory Fee Payable		60	60
			<u>231</u>	<u>60</u>
8	ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>		
	Provision for Sindh Workers' Welfare Fund	8.1	-	10,909
	Provision for Federal Excise Duty relating to:	8.2		
	- Management fee		839	841
	- Sales load		3,625	3,625
	Brokerage payable		18	18
	Auditors' remuneration		279	386
	Donation Payable		507	277
	Other		4,130	4,616
			<u>9,397</u>	<u>20,672</u>

8.1 Provision against Sindh Workers' Welfare Fund (SWWF)

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.

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8.2 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 (FED), as reported in note 11.2 to the annual financial statements of the Fund for the year ended June 30, 2021. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2022 would have been higher by Re.0.05 (June 30, 2021: Re.0.01) per unit.

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

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended 31 March 2022 is 0.28% (31 March 2021 0.29)YTD in which includes 0.04% (31 March 2021 0.16%) representing government levies on the Fund such as federal excise duties and sales taxes, Workers' Welfare Fund, annual fee payable to the SECP, etc.

10 CONTINGENCIES AND COMMITMENTS

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

11 TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. For the Nine months period ended 31 March 2022, the fund has already distributed the entire income earned during the period, including through redemption during the period.

12 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.

13 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

For the Nine Month Ended March 2022									
As at July 01, 2021	Issued for cash	Bonus	Redeemed	As at 31 March 2022	As at July 01, 2021	Issued for cash	Bonus	Redeemed	As at 31 March 2022
----- (Units) -----				----- (Rupees in '000) -----					

Adamjee Life Assurance Company Limited -	-	404,429	-	404,429	-	40,245	-	40,245
Key management personnel*	14,710	299,548	270,702	43,557	1,464	29,808	26,938	4,334
Mandate under discretionary portfolio services*	-	445,729	342,756	102,973	-	44,354	34,108	10,247
Unitholders holding 10% or more*	112,396,782	84,766,030	115,828,657	81,334,155	11,184,604	8,435,066	11,535,165	8,093,562

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

For the Nine Month Ended March 2021									
As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at 31 March 2021	As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at 31 March 2021
----- (Units) -----				----- (Rupees in '000) -----					

Associated company MCB Arif Habib savings and Investments Limited - 8.2% of the units as at the period end	-	18,763,729	18,763,729	-	-	1,867,665	1,867,632	-
Adamjee Insurance Company Limited Employees Gratuity Fund	-	198,378	198,378	-	-	19,741	19,741	-
Adamjee Insurance Company Limited Employees Provident Fund	-	396,424	396,424	-	-	39,448	39,448	-
Adamjee Life Assurance Company Limited - Tameem	-	1,158,878	1,158,878	-	-	115,320	115,320	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	533,188	-	533,188	-	53,058	-	53,058
Key management personnel*	-	354,950	347,406	7,544	-	35,273	34,632	751
Mandate under discretionary portfolio services*	-	82,578,990	82,578,990	-	-	8,223,601	8,227,994	-
Unitholders holding 10% or more*	-	91,416,063	-	91,416,063	-	9,096,812	-	9,096,812

* 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

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

	March 31 2022 (Unaudited)	March 31 2021 (Unaudited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	15,069	1,786
Marketing and selling expense	3,554	165
Allocated expenses	142	21
Shahriah Fee	518	-
Digital Custodian Company - Trustee		
Remuneration of Digital Custodian Company - Trustee	6,115	1,097
Sindh Sales Tax on remuneration of the Trustee	795	143
MCB Bank Limited - Holding Company of the Management Company		
Bank charges	17	-

13.3 Amount outstanding as at period end

	March 31 2022 (Unaudited)	June 30 2021 (Audited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	149	-
Sindh sales tax payable on management remuneration	22	-
Shahriah Fee Payable	60	60
Receivable from management company	-	1,844
Digital Custodian Company - Trustee		
Remuneration of Digital Custodian Company - Trustee	-	724
Sindh Sales Tax payable on Trustee remuneration	-	94
MCB Bank Limited - Parent of the Management Company		
Bank balances	8,763	1,904

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

15 DISTRIBUTIONS MADE DURING THE PERIOD

	Refund of capital	Distribution from income	Total distribution
	----- (Rupees in '000) -----		
Daily distribution from 01 July 2021 till 31 March 2022*	-	(884,273)	(884,273)
	<u>-</u>	<u>(884,273)</u>	<u>(884,273)</u>

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

16 GENERAL

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

16.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information was authorised 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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