

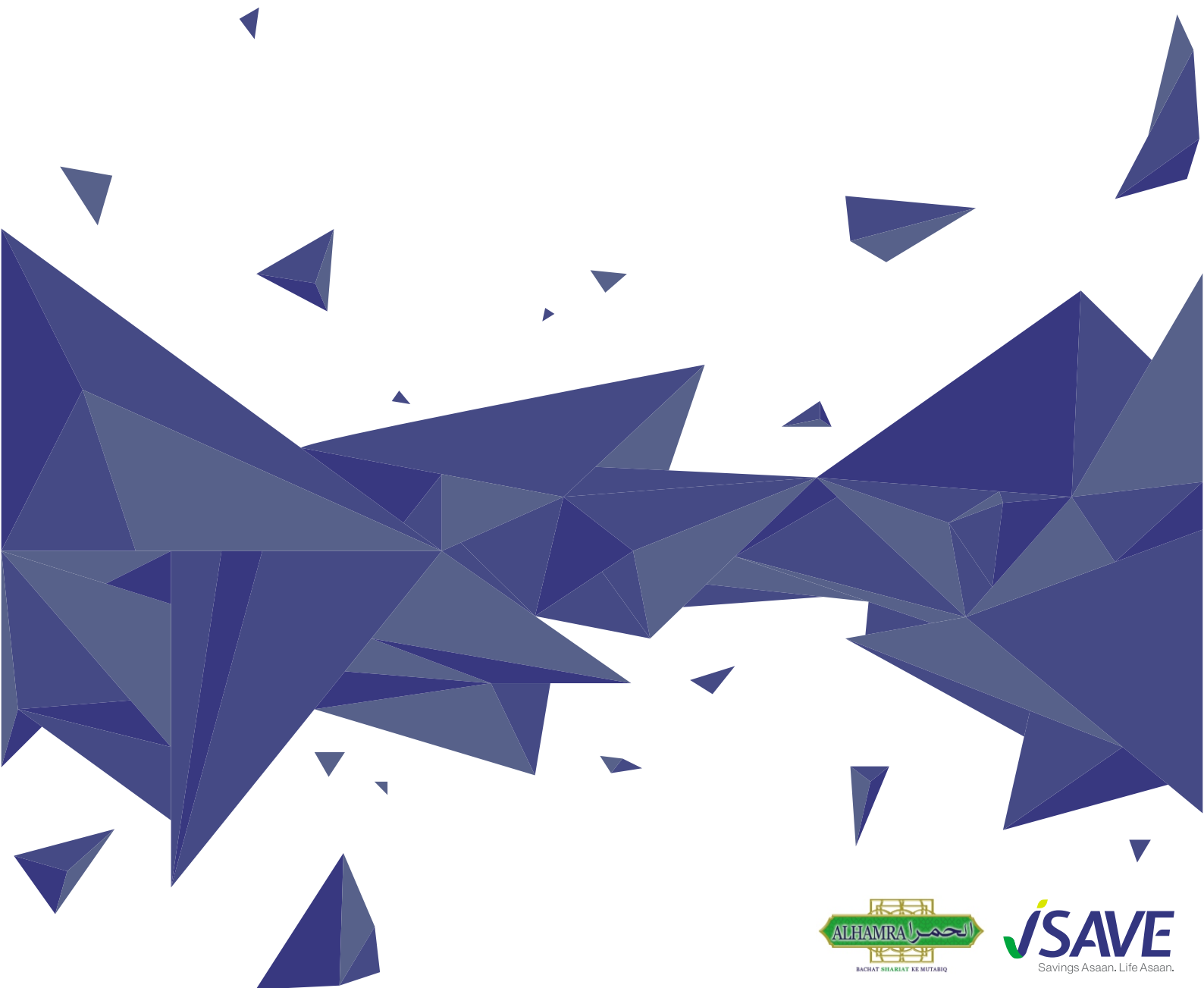


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2022**  
(UNAUDITED)

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



# **ALHAMRA ISLAMIC INCOME FUND**

## **TABLE OF CONTENTS**

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<b>1</b>	<b>Fund's Information</b>	<b>272</b>
<b>2</b>	<b>Report of the Directors of the Management Company</b>	<b>273</b>
<b>3</b>	<b>Condensed Interim Statement of Assets And Liabilities</b>	<b>279</b>
<b>4</b>	<b>Condensed Interim Income Statement (Un-audited)</b>	<b>280</b>
<b>5</b>	<b>Condensed Interim Statement of Other Comprehensive Income (Un-audited)</b>	<b>281</b>
<b>6</b>	<b>Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)</b>	<b>282</b>
<b>7</b>	<b>Condensed Interim Cash Flow Statement ( Un-audited)</b>	<b>283</b>
<b>8</b>	<b>Notes to and forming part of the Condensed Interim Financial Statements</b>	<b>284</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 Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited Bank Islamic Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited NRSP Micro Finance Bank Limited Silk Bank Limited Al Baraka Bank Pakistan Limited The Bank of Khyber	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shakrah-e-Faisal, Karachi-753550.	
<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 QUARTER ENDED SEPTEMBER 30, 2022

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Income Fund** accounts review for the quarter ended September 30, 2022.

### ECONOMY AND MONEY MARKET REVIEW

The new fiscal year started with unprecedented rainfall and added further woes to the already struggling economy of Pakistan. The country witnessed 3 times more rainfall than 30-year average of 135mm which caused considerable damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. The floods would directly hit our already fragile economy in the shape of higher inflation, worsening Current Account Deficit (CAD), fiscal strain, and lower GDP growth amid the tough global landscape.

The key crop affected by floods are cotton and rice. We expect the cotton imports to increase by 2.5mn bales which translates into an additional import bill of around USD 1.1bn. Similarly, we expect rice export to decrease by 20% leading to a decline in export of USD 500mn. This would worsen our trade deficit by USD 1.6 billion. The inflation could also escalate in the short term as supply chain disruption would lead to increase in price of perishable food products.

Agriculture contributes around 22.7% to the country's GDP with livestock having a weight of 14.0% in the overall pie followed by crops with a weightage of 7.8%. The floods would trim FY23 GDP growth number by 0.4% to 2.0%. On the fiscal front, the government will have to increase its spending to rehabilitate the peoples affected by floods. This could increase risk of fiscal slippage and cause us to miss our target of achieving a primary budget surplus of PKR 153bn (0.2% of GDP) in FY23.

The country posted a current account deficit of USD 1.9bn in first two months of fiscal year 2023 (2MFY23) compared to a deficit of USD 2.4bn in the corresponding period last year, registering a 20% improvement over last year. Narrowing trade deficit was the major contributor towards improving CAD as an 11.2% jump in exports coupled with 2.1% drop in imports led to 11% contraction in trade deficit. In addition to CAD, debt repayments put further pressure on the FX reserves, which dropped by another USD 1.9 billion to USD 7.9 billion, hardly enough for 6 weeks. This led PKR to lost its ground against the USD by 11% to close the quarter at PKR 227 against a Dollar.

Headline inflation represented by CPI averaged 25.1% during the quarter as compared to 8.6% in the corresponding period last year. Higher food prices as an aftermath of floods coupled with higher electricity tariff and rising petroleum prices were the major contributors towards rising CPI. The inflationary pressure was broad based which is depicted by core inflation increasing to 15.7% compared to 12.3% at the end of last quarter. SBP increased policy rate by a further 125bps in July-22 monetary policy while maintained interest rates in the latest MPS held in Oct-22. On the fiscal side, FBR tax collection increased by 17.1% in 1QFY23 to PKR 1,635 billion compared to PKR 1,396 billion in the same quarter last year. This exceeded the target by 25bn.

Secondary markets yields increased in the quarter on account of monetary tightening and additional bout of inflationary pressure post floods. The 3,6 and 12 Month T-Bills yield increased by 50, 52 and 44 basis points (bps) respectively while 3 and 5 Years Bond yields rose by 38 and 19bps respectively during the quarter.

### FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 13.00% as against its benchmark return of 4.65%.

The fund was 22.0% invested in Corporate Sukuks while significant exposure was in Cash.

The Net Assets of the Fund as at September 30, 2022 stood at Rs. 6,520 million as compared to Rs. 4,783 million as at June 30, 2022 registering an increase of 36.31%.

The Net Asset Value (NAV) per unit as at September 30, 2022 was Rs. 105.5110 as compared to opening NAV of Rs. 102.1635 per unit as at June 30, 2022 registering an increase of Rs. 3.3475 per unit.

### ECONOMY & MARKET – FUTURE OUTLOOK

Pakistan GDP growth clocked at 6.0% in FY22 with Agricultural, Industrial and Services sector increasing by 4.4%, 7.2% and 6.2% respectively. The GDP growth is projected to decline to 2.0% in FY23 as monetary tightening, rupee devaluation and the recent floods will lead to slowdown in the economy. The loss of cotton and rice crop would trim agriculture growth to 1.2% while industrial growth is expected at

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

clock at -2.5% owing to demand slowdown. The government is taking administrative measures to control imports which will reduce service sector growth to 3.7%.

The international commodities have eased from their recent high but energy prices remain stubbornly high. We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 13% YoY to USD 63bn as we may witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 7.3bn (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4bn (4.5% of GDP) in FY22.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. In addition, the aid commitment by multilateral agencies should lend support to foreign inflows. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns.

The rupee has now recovered from its recent low as more clarity has emerged on foreign assistance from multilateral agencies. In addition, the statement given by the new finance minister regarding the overvaluation of dollar curbed speculation in the market. However, materialization of foreign inflows will be crucial to build sufficient reserve and lend support to the currency. We expect USD/PKR to close at 240 by fiscal year end on an assumed REER of 95.

We expect Average FY23 inflation to clock at 24.7% assuming international oil stays around USD 100/bbl. The government has increased petroleum and electricity prices, which will lead to a bout of inflationary pressure. We will also witness the second round impact of the currency devaluation which will keep inflation numbers elevated for remainder of the year. Food inflation is also expected to stay elevated due to the recent floods. SBP has already increased policy rate to 15.0% to cool aggregate demand and deescalate inflationary pressure. Given the significant economic slowdown and demand curtailment we do not rule out a scenario where SBP keeps real interest rates negative.

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 9.4%, a discount of 55% from its historical average. Similarly, risk premiums are close to 7.8%, compared to historical average of 2.2% 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 5.0x, while offering a dividend yield of 10.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

### MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry increased by about 6.3% during 1QFY23 to PKR 1,291bn. Total money market funds grew by about 7.0% since June 2022. Within the money market sphere, the conventional funds showed a growth of 0.6% to PKR 449bn while Islamic funds increased by 19.6% to PKR 270bn. In addition, the total fixed Income funds increased by about 3.3% since June 2022 to PKR 308bn. Equity and related funds declined by 3.6% as market witnessed a decline in 1QFY23 eroding AUMs as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 55.6%, followed by Income funds with 23.9% and Equity and Equity related funds having a share of 17.2% as at the end of 1QFY23.

### MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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**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,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 21, 2022



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**Nasim Beg**  
Director / Vice Chairman

## ڈائریکٹرز رپورٹ

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مدنظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کمی ہے۔ اسی طرح، خطرات کے پریمیئم 7.8 فیصد کے قریب ہیں، اور ان کے قدیم اوسط 2.2 فیصد سے موازنہ کرنے پر اس بھرپور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 5.0x PER کے تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 10.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور پُرکَشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2023ء کی پہلی سہ ماہی کے دوران تقریباً 6.3 فیصد بڑھ کر 1,291 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 7.0 فیصد اضافہ ہوا ہے۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 0.6 فیصد بڑھ کر 449 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 19.6 فیصد بڑھ کر 270 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 3.3 فیصد بڑھ کر 308 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 3.6 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کی پہلی سہ ماہی میں مارکیٹ میں انحطاط اور اثاثہ جات تحت الانتظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کی پہلی سہ ماہی کے اختتام پر Money مارکیٹ فنڈز تقریباً 55.6 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 23.9 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 17.2 فیصد حصہ تھا۔


### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں آمد و رفت میں اضافے کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المیعاد سرمایہ کاران بے حد پُرکَشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا 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 کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

### اظہار تشکر

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

### منجانب ڈائریکٹرز



نسیم بیگ

ڈائریکٹر اوآس چیئرمین



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

21 اکتوبر 2022ء



## ڈائریکٹر رپورٹ

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 13.00 فیصد تھا، جبکہ مقررہ معیار کا منافع 4.65 فیصد تھا۔  
 فنڈ کی سرمایہ کاری کارپوریٹ سسٹم میں 22.0 فیصد تھی، جبکہ نقد میں قابل ذکر شمولیت تھی۔  
 30 ستمبر 2022ء کو فنڈ کے net اثاثہ جات 6,520 ملین روپے تھے جو 30 جون 2022ء کی سطح 4,783 ملین روپے کے مقابلے میں 36.31 فیصد کا اضافہ ہے۔  
 30 ستمبر 2022ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 105.5110 روپے تھی جو 30 جون 2022ء کو ابتدائی این اے وی 102.1635 روپے فی یونٹ کے مقابلے میں 3.3475 روپے فی یونٹ کا اضافہ ہے۔

### معیشت اور بازار - مستقبل کے امکانات

مالی سال 2022ء میں پاکستان کی مجموعی ملکی پیداوار (ج ڈی پی) کی ترقی 6.0 فیصد تھی۔ زراعت، صنعت اور خدمات کے شعبوں نے بالترتیب 4.4 فیصد، 7.2 فیصد اور 6.2 فیصد ترقی کی۔ مالی سال 2023ء میں جی ڈی پی کی ترقی میں 2.0 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور حالیہ سیلابوں کے نتیجے میں معیشت سست رفتاری کا شکار ہوگی۔ کپاس اور چاول کی فصل میں نقصان کے باعث زرعی ترقی سنکڑ کر 1.2 فیصد ہو جائے گی جبکہ صنعتی ترقی (مانگ میں سست رفتاری کے باعث) (2.5) فیصد متوقع ہے۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس سے خدمات کے شعبے کی ترقی سنکڑ کر 3.7 فیصد ہو جائے گی۔

بین الاقوامی اشیاء کی قیمتیں حالیہ بلند سطح سے نیچے آئی ہیں لیکن توانائی کی قیمتیں ابھی تک آسمان سے باتیں کر رہی ہیں۔ ہم اُمید کرتے ہیں کہ حکومت درآمدات پر مضبوط لگام ڈالے رکھے گی اور ڈالر کے غیر ضروری اخراجات کو کم کرے گی۔ درآمدات متوقع طور پر 13 فیصد سال در سال (YoY) کم ہو کر 63 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد شعبوں میں خجما تھی سنکڑ دیکھا جائے گا۔ چنانچہ مالی سال 2023ء میں سی اے ڈی متوقع طور پر کم ہو کر 7.3 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا، جو مالی سال 2022ء (17.4 بلین ڈالر - جی ڈی پی کا 4.5 فیصد) کے مقابلے میں بڑی کمی ہے۔  
 آئی ایم ایف پروگرام کی کامیابی کا ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ علاوہ ازیں، کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمدنی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ دقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سنکڑ جاری کریں۔ FDI اور RDA سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہی ہیں گی۔ چنانچہ اس سال ہمیں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

روپے کی قدر حالیہ پست سطح سے بحال ہوئی ہے کیونکہ کثیر الجہتی ایجنسیوں سے غیر ملکی امداد کے حوالے سے صورتحال مزید واضح ہوئی ہے۔ علاوہ ازیں، نئے وزیر خزانہ کے ڈالر کی بیش قدری سے متعلق بیان سے بازار میں قیاس آرائی میں کمی ہوئی۔ تاہم خاطر خواہ ذخائر جمع کرنے اور روپے کو سہارا فراہم کرنے کے لیے غیر ملکی آمدنی بہاؤ کا عملی جامہ پہننا بے حد ضروری ہوگا۔ ہماری توقع کے مطابق مالی سال کے اختتام پر (REER کے 95 ہونے کے مفروضے پر) ڈالر کے مقابلے میں روپے کی قدر 240 ہوگی۔

مالی سال 2023ء میں اوسط مہنگائی 24.7 فیصد متوقع ہے، بشرطیکہ تیل بین الاقوامی سطح پر تقریباً 100 ڈالر فی بیرل پر برقرار رہے۔ حکومت نے پٹرول اور بجلی کی قیمتوں میں اضافہ کیا ہے جس کے نتیجے میں مہنگائی کی دباؤ میں شدت آئے گی۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور بھی دیکھنے میں آئے گا جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ حالیہ سیلابوں کے سبب اشیائے خورد و نوش کی قیمتیں بھی بلند رہنے کا امکان ہے۔ اسٹیٹ بینک آف پاکستان نے پہلے ہی پالیسی شرح کو بڑھا کر 15.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں اچھی خاصی سست رفتاری اور مانگ میں کمی کے باعث ایس بی پی کے حقیقی شروع سود کو منفی رکھنے کا امکان خارج از بحث نہیں ہے۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

منجانب بورڈ آف ڈائریکٹرز الحمراء اسلامک انکم فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 30 ستمبر 2022ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

نئے مالی سال کا آغاز فقید المثل برسات سے ہوا جس نے پاکستان کی مسائل میں گھری معیشت کو مزید مشکلات سے دوچار کر دیا۔ ملک میں گزشتہ تیس برسوں کی اوسط بارش 135mm سے تین گنا زیادہ بارشیں ہوئیں جس کے نتیجے میں انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ سیلاب ہماری پہلے سے خستہ حال معیشت پر براہ راست وار کریں گے جو مہنگائی میں اضافے، کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں مزید بگاڑ، مالیاتی تناؤ، اور عالمی سطح پر مشکلات کے نتیجے میں مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی میں کمی کی صورت میں ظاہر ہوگا۔

سیلابوں سے سب سے زیادہ متاثر ہونے والی فصلیں کپاس اور چاول ہیں۔ کپاس کی درآمد میں 2.5 ملین گانٹھیں اضافہ متوقع ہے جس کا مطلب درآمداتی بل میں تقریباً 1.1 بلین ڈالر اضافہ ہے۔ اسی طرح، چاول کی درآمد میں 20 فیصد کمی متوقع ہے جس کے نتیجے میں برآمدات میں 500 ملین ڈالر کمی آئے گی۔ جسکے باعث خسارہ میں 1.6 بلین ڈالر اضافہ ہوگا۔ مہنگائی میں بھی مختصر میعاد میں اضافہ ہو سکتا ہے کیونکہ زنجیر رسد میں بگاڑ کے نتیجے میں جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتیں بڑھ جائیں گی۔

زراعت کا جی ڈی پی میں حصہ تقریباً 22.7 فیصد ہے جس میں مویشیوں کا حصہ 14.0 فیصد اور فصلوں کا حصہ 7.8 فیصد ہے۔ سیلابوں کے باعث مالی سال 2023ء میں ترقی کی شرح 0.4 فیصد کم ہو کر 2.0 فیصد رہ جائے گی۔ مالیاتی جہت میں حکومت کو سیلاب متاثرین کی بحالی کے لیے زیادہ رقم خرچ کرنا ہوگی۔ اس کے نتیجے میں مالیاتی اعتبار سے پھسلنے کا خطرہ بڑھ جائے گا اور مالی سال 2023ء میں 153 بلین روپے (جی ڈی پی کا 0.2 فیصد) پر انٹری بجٹ surplus کا ہمارا ہدف چوک سکتا ہے۔

مالی سال 2023ء کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 1.9 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 2.4 بلین ڈالر کے مقابلے میں 20 فیصد بہتری ہے۔ اس کا اہم ترین سبب تجارتی خسارے میں 11 فیصد کمی ہے جو برآمدات میں 11.2 فیصد اضافے اور درآمدات میں 2.1 فیصد کمی کا مجموعی نتیجہ ہے۔ سی اے ڈی کے علاوہ قرضوں کی ادائیگیوں نے بھی زرمبادلہ کے ذخائر پر مزید دباؤ ڈالا، جو مزید 1.9 بلین ڈالر کم ہو کر 7.9 بلین ڈالر رہ گئے ہیں، اور یہ 6 ہفتوں کے لیے بھی بمشکل کافی ہوں گے۔ چنانچہ ڈالر کے مقابلے میں روپے کی قدر 11 فیصد گھٹ کر اختتام سہ ماہی پر 227 روپے فی ڈالر رہ گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI سے ہوتی ہے، کا اوسط دوران سہ ماہی 25.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 8.6 فیصد تھا۔ سیلابوں کے نتیجے میں اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی سے ہوتا ہے۔ جسمیں 15.7 فیصد ہوا جو گزشتہ سہ ماہی کے اختتام پر 12.3 فیصد تھا۔ اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں جولائی 2022ء کی مانیٹری پالیسی میں مزید 125 بیسیس پوائنٹس (bps) کا اضافہ کیا جبکہ اکتوبر 2022ء میں منعقدہ تازہ ترین MPS میں سود کی شرحوں کو برقرار رکھا۔ مالیاتی جہت میں فیڈرل بورڈ آف ریونیو کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی سہ ماہی میں 17.1 فیصد اضافہ ہوا اور 1,635 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل سہ ماہی میں 1,396 بلین روپے تھے۔ اس طرح ہدف سے 25 بلین روپے زیادہ ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دوران سہ ماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دوران سہ ماہی 3، 6 اور 12 ماہانہ ٹریڈری بلنز (ٹی-بلنز) کے منافع جات میں بالترتیب 50، 52 اور 44 بی پی ایس، جبکہ 3 اور 5 سالہ بانڈز کے منافع جات میں بالترتیب 38 اور 19 بی پی ایس کا اضافہ ہوا۔

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balance with banks	4	2,666,609	1,855,629
Investments	5	3,304,482	3,223,232
Advance against IPO		377,000	377,000
Markup receivable		181,713	82,207
Advances, deposits and other receivables		10,754	19,982
<b>Total assets</b>		<b>6,540,559</b>	<b>5,558,050</b>
<b>LIABILITIES</b>			
Payable to the Management Company		4,044	5,261
Payable to the Central Depository Company of Pakistan Limited - Trustee		389	419
Payable to the Securities and Exchange Commission of Pakistan		270	1,506
Dividend Payable		3	3
Payable against purchase of investments		-	741,576
Accrued expenses and other liabilities	6	15,464	25,910
<b>Total liabilities</b>		<b>20,170</b>	<b>774,675</b>
<b>NET ASSETS</b>		<b>6,520,389</b>	<b>4,783,375</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>6,520,389</b>	<b>4,783,375</b>
<b>Contingencies and commitments</b>	7		
		(Number of units)	
<b>Number of units in issue</b>		<b>61,798,216</b>	<b>46,820,768</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>		<b>105.5110</b>	<b>102.1635</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

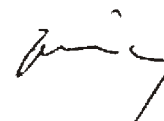
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30 2022	September 30 2021	
INCOME	----- (Rupees in '000) -----		Note
Income from government securities	32,312	10,876	
Gain/loss on sale of investments - net	561	127	
Income from term finance certificates	90,083	31,558	
Markup on bank deposits	62,139	44,672	
Income on term deposit receipt	8,754	31,611	
Income on commercial paper	2,134	11,628	
Income on nccpl deposit against exposure margin	-	8	
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(8,194)	8,662	
<b>Total income</b>	<b>187,790</b>	<b>139,142</b>	
EXPENSES			
Remuneration of the Management Company	8,596	6,396	
Sindh Sales Tax and Federal Excise Duty on remuneration of the Management Company	1,118	832	
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,014	1,355	
Sindh Sales Tax on remuneration of Trustee	132	176	
Securities and Exchange Commission of Pakistan - annual fee	270	360	
Allocated expense	1,351	1,808	
Marketing And Selling Expense	0	6,458	
Brokerage expenses	10	57	
Settlement and bank charges	134	147	
Fees and subscriptions	130	338	
Legal and professional charges	67	392	
Shariah advisory fee	181	182	
Auditors' remuneration	169	153	
Printing and related costs	31	25	
<b>Total expenses</b>	<b>13,202</b>	<b>18,679</b>	
Reversal / (Provision) against Sindh Workers' Welfare Fund	0	24,787	
<b>Net income for the period before taxation</b>	<b>174,588</b>	<b>145,250</b>	
Taxation	-	-	8
<b>Net income for the period</b>	<b>174,588</b>	<b>145,250</b>	
<b>Allocation of net income for the period:</b>			
Net income for the period	174,588	145,250	
Income already paid on units redeemed	(38,591)	(18,528)	
<b>Accounting income available for distribution</b>	<b>135,997</b>	<b>126,721</b>	
- Relating to capital gains	-	8,124	
- Excluding capital gains	135,997	118,597	
<b>Earnings per unit</b>			9

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

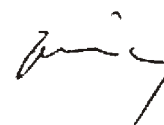
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30	
	2022	2021
	----- (Rupees in '000) -----	
<b>Net income for the period after taxation</b>	<b>174,588</b>	145,250
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>174,588</b>	145,250

The annexed notes 1 to 14 form an integral part of this 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 UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30					
	2022			2021		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	4,747,853	35,522	4,783,375	5,542,585	32,531	5,575,116
Issue of 58,306,365 units (2021: 42,785,445 units)						
- Capital value (at net asset value per unit at the beginning of the period)	5,956,782	-	5,956,782	4,362,438	-	4,362,438
- Element of income	124,794	-	124,794	33,019	-	33,019
Total proceeds on issuance of units	6,081,576	-	6,081,576	4,395,457	-	4,395,457
Redemption of 43,328,917 units (2020: 24,654,752 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(4,426,634)	-	(4,426,634)	(2,513,818)	-	(2,513,818)
- Element of Income	(53,926)	(38,591)	(92,517)	(10,563)	(18,528)	(29,091)
Total payments on redemption of units	(4,480,559)	(38,591)	(4,519,151)	(2,524,381)	(18,528)	(2,542,909)
Total comprehensive income for the period	-	174,588	174,588	-	145,250	145,250
Net income / (loss) for the period less distribution	-	174,588	174,588	-	145,250	145,250
<b>Net assets at end of the period</b>	<b>6,348,870</b>	<b>171,518</b>	<b>6,520,389</b>	<b>7,413,661</b>	<b>159,252</b>	<b>7,572,913</b>
Undistributed income brought forward						
- Realised		37,763			17,785	
- Unrealised		(2,241)			14,747	
		35,522			32,532	
Accounting income available for distribution						
- Relating to capital gains		-			8,124	
- Excluding capital gains		135,997			118,597	
		135,997			126,721	
Undistributed income carried forward		171,518			159,252	
Undistributed income carried forward						
- Realised		179,712			150,591	
- Unrealised		(8,194)			8,662	
		171,518			159,252	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period	102.1635			101.9608		
Net assets value per unit at end of the period	105.5110			104.0096		

The annexed notes 1 to 14 form an integral part of this 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 FLOW (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30,	
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	174,588	145,250
<b>Adjustments for non cash and other items:</b>		
Unrealised diminution in value of investments classified as 'at fair value through profit or loss' - net	8,194	(8,662)
	<b>182,782</b>	<b>136,588</b>
<b>(Increase) / Decrease in assets</b>		
Investments	(89,444)	(2,148,213)
Markup receivable	(99,506)	(26,139)
Advances, deposit and prepayments	9,228	1,722
	<b>(179,723)</b>	<b>(2,172,630)</b>
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	(1,217)	7,875
Payable to the Central Depository Company of Pakistan Limited - Trustee	(30)	23
Payable to the Securities and Exchange Commission of Pakistan	(1,236)	(981)
Payable against purchase of investments	(741,576)	(605,180)
Accrued expenses and other liabilities	(10,446)	(40,624)
	<b>(754,506)</b>	<b>(638,887)</b>
<b>Net cash generated / (used) in operating activities</b>	<b>(751,447)</b>	<b>(2,674,928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units excluding additional units	6,081,576	4,395,457
Payments on redemption of units	(4,519,151)	(2,542,909)
<b>Net cash (used in) / generated from financing activities</b>	<b>1,562,426</b>	<b>1,852,548</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>810,980</b>	<b>(822,381)</b>
Cash and cash equivalents at beginning of the period	1,855,629	2,722,889
<b>Cash and cash equivalents at end of the period</b>	<b>2,666,609</b>	<b>1,900,508</b>

The annexed notes 1 to 14 form an integral part of this 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 QUARTER ENDED SEPTEMBER 30, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alhamra Islamic Income Fund (the Fund) was established under a trust deed executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company has been changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 25, 2011 and was executed on March 7, 2011. According to the Trust Deed, the first accounting period of the Fund commenced from May 1, 2011 i.e. the date on which the trust property was first paid or transferred to the Trustee. The SECP has approved Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/MCBAHSIL/MCBIIF/396/2017 dated January 25, 2017 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alhamra Islamic Income Fund.

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 Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

1.3 The Fund is an open-end collective investment scheme categorised as a "Shariah Compliant (Islamic) Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.4 The objective of the Fund is to seek to generate superior risk adjusted returns by investing in short, medium and long-term high quality Shariah Compliant fixed income instruments.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of AM1 dated October 06, 2022 to the Management Company and AA-(f) as stability rating dated September 13, 2022 to the Fund.

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

### 2. BASIS OF PREPARATION

#### 2.1. STATEMENT OF COMPLIANCE

2.1.1 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, 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 QUARTER ENDED SEPTEMBER 30, 2022

- 2.1.2 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 2022.
- 2.1.2 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022, whereas 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 quarter ended 30 September 2021.
- 2.1.3 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.
- 2.1.4 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.
- 2.1.5 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, 2022.
- 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, 2022. 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, 2022.

		(Un-audited) September 2022 ---- (Rupees in '000) ----	(Audited) June 2022
<b>4 BALANCE WITH BANKS</b>			
Savings accounts	4.1	2,141,026	1,834,486
Current accounts	4.2	525,583	21,143
		<u>2,666,609</u>	<u>1,855,629</u>

- 4.1 These carry profit at the rates ranging between 12.52% to 16.00% (2022: 6.55% and 15.51%) per annum and include Rs. 0.524 million (2022: 1.803 million) maintained with MCB Islamic Bank Limited, (a related party).
- 4.2 These include Rs.25.238 million (2022: Rs 21.115 million) maintained with MCB Bank Limited, a connected person / related party.

		(Un-audited) September 2022 ---- (Rupees in '000) ----	(Audited) June 2022
	Note		

### 5. INVESTMENTS

#### *At fair value through profit or loss*

Sukuk certificates- Unlisted	5.1	1,967,721	1,991,000
		1,967,721	1,991,000
Government securities	5.2	781,762	980,163
Commercial papers	5.3	-	252,069
Term Deposit Receipts	5.4	555,000	-
		1,336,762	1,232,232
		<u>3,304,482</u>	<u>3,223,232</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

**5.1 Sukuk certificates - Unlisted**

Certificates have a face value of Rs 100,000 each unless stated otherwise

Name of investee company	Number of certificates					As at September 30, 2022				Market value as a percentage of total investment		
	As at July 1, 2022	Purchased during the period	Matured during the period	Disposed off during the period	As at Sep 30, 2022	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of net assets			
<b>Chemical</b>												
Ghani Gases Limited (03-Feb-17 issue)	1,000	-	-	-	1,000	23,000	23,000	-	0.35	0.70		
<b>Pharmaceutical</b>												
Aspin Pharma (Pvt) Ltd (30-Nov-17 issue)	2,033	-	-	-	2,033	52,302	52,190	(112)	0.80	1.58		
<b>Power</b>												
Pakistan Energy Sukuk* K-Electric**	181,100 400	-	-	-	181,100 400	911,839 400,000	905,500 400,000	(6,339) -	13.89 6.13	27.40 12.10		
<b>Commercial Banks</b>												
Meezan Bank Limited (09-Jan-20 issue)	355	-	-	-	355	365,849	364,622	(1,227)	5.59	11.03		
<b>Miscellaneous</b>												
Pak Elektron Limited**	225	-	-	-	225	223,717	222,408	(1,309)	3.41	6.73		
<b>As at September 30, 2022</b>						<b>1,976,706</b>	<b>1,967,721</b>	<b>(8,986)</b>				
As at June 30, 2022						1,991,943	1,991,000	(943)				

\* Face value of the investment is Rs. 5,000

\*\* Face value of the investment is Rs. 1,000,000

**5.2**

**Government securities**

**- Government of Pakistan (GoP) Ijara sukuk**

Name of investee company	Issue Date	Face Value				As at September 30, 2022				Market value as a percentage of total investment	
		As at July 1, 2022	Purchased during the year	Matured / Sold during the year	Disposed off during the year	As at September 30, 2022	Carrying value	Market value	Appreciation / (diminution)		
GoP Ijarah Sukuks	May 29, 2020	110,000	-	-	-	110,000	110,030	110,088	58	1.69%	3.33%
GoP Ijarah Sukuks	June 24, 2020	425,000	-	-	-	425,000	423,751	423,853	101	6.50%	12.83%
GoP Ijarah Sukuks	July 29, 2020	63,000	-	-	-	63,000	62,711	63,284	573	0.97%	1.92%
GoP Ijarah Sukuks	October 6, 2021	185,000	-	-	-	185,000	184,478	184,538	60	2.83%	5.58%
GoP Ijarah Sukuks	April 27, 2022	200,000	-	-	200,000	-	-	-	-	0.00%	0.00%
<b>As at September 30, 2022</b>						<b>780,970</b>	<b>781,762</b>	<b>792</b>			
As at June 30, 2022						981,461	980,163	(1,298)			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

5.3 Commercial papers

Particulars	Profit / mark-up rates	Issue date	Maturity date	Face Value	Carrying Value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
Mughal Iron & Steel Industries Limited	16.19%	26-Jul-21	21-Jul-22	-	-	-	-
<b>As at September 30, 2022</b>							
Total as at June 30, 2022				250,000	252,069		

Term Deposit Receipt

Particulars	Profit rate	Issue date	Maturity date	Face Value	Carrying Value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
MCB Islamic Bank Limited	15.15%	24-Aug-22	24-Aug-23	555,000	555,000	8.51	16.80
<b>As at September 30, 2022</b>				555,000	555,000		
Total as at June 30, 2022				-	-		

5.4

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		(Un-audited) September 30, 2022 (Rupees in '000)	(Audited) June 30 2022
<b>6 ACCRUED AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty and related tax on	6.1		
- Management fee		8,639	8,639
- Sales load		3,028	3,028
Capital gain tax		2,353	421
Auditors' remuneration		590	12,707
Printing and related expenditure		65	40
Other		789	1,075
		<u>15,464</u>	<u>25,910</u>

**6.1 Federal Excise Duty and related tax payable**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2022 would have been higher by Re. 0.1888 per unit (June 30, 2022: Re.0.2492 per unit).

**7. CONTINGENCIES AND COMMITMENTS**

**7.1 CONTINGENCIES**

On December 17, 2020, the Federal Board of Revenue (FBR) issued an Order u/s 122 (5A) of the Income Tax Ordinance (ITO), 2001 for the Tax Year 2018 thereby raising a net tax demand of Rs. 41 million. The Management Company on behalf of the Fund filed appeal before Commissioner Inland Revenue –Appeals (CIRA). The Management Company on behalf of the Fund obtained Stay Order from the Sindh High Court against the tax demanded by Commissioner in Assessment Order.

On February 24, 2022, Appellate Order was passed by CIRA whereby the Assessment Order issued by ACIR has been remanded back by CIRA. Since then no notice/ Order has yet been issued from FBR.

**7.2 Commitments**

There were no commitments outstanding as at September 30, 2022 and June 30, 2022.

**8. TAXATION**

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by of cash of cash dividend. 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 in cash. The management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

**9. EARNINGS PER UNIT**

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

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

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors, key management personnel and officers of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

	<b>(Unaudited)</b>	
	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of management company	9,715	7,228
Allocated expenses including indirect taxes	1,351	1,808
Shariah advisory fee	181	182
Marketing and Selling Expense	0	6,458
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the trustee	1,145	1,531
CDC settlement charges	2	2
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank charges	39	38
<b>10.2 Amount outstanding as at period end / year end</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>September 30,</b>	<b>June 30,</b>
	<b>2022</b>	<b>2022</b>
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings &amp; Investment Limited - Management Company</b>		
Management remuneration payable	2,403	3427
Sindh sales tax payable on management remuneration	312	445
Sales load payable	810	834
Payable against Shariah advisory fee	61	60
Payable against allocated expenses	458	495
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	344	371
Sindh Sales tax payable on remuneration of Trustee	45	48
Security deposits	100	100
<b>MCB Bank Limited</b>		
Bank deposit held	25,238	21,556
<b>MCB Islamic Bank Limited</b>		
Bank balances	524	704

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

	For the quarter ended September 30, 2022							
	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022
	----- Units ----- (Rupees in '000) -----							
<b>Associated Companies:</b>								
Mcb-Arif Habib Savings And Investments Limited	-	340,419	340,419	-	-	35,366	35,613	-
Adamjee Life Assurance Co. Ltd. Amaanat Fund	-	493,041	-	493,041	-	52,000	-	52,021
Adamjee Life Assurance Company Limited - Tameen	-	3,838,991	1,683,993	2,154,988	-	400,000	175,870	227,376
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	193,996	62,846	131,150	-	19,913	6,500	13,838
Arif Habib Securities Limited Employees Provident Fund Trust	87,440	-	-	87,440	8,933	-	-	9,226
Mcbfsl Trustee Alhamra Smart Portfolio	1,009,242	84,543	334,452	759,333	103,108	8,873	35,101	80,118
Adamjee Life Assurance Co. Ltd - Saman	-	11,351	-	11,351	-	1,180	-	1,198
Adamjee Life Assurance Co. Ltd Managed Growth Fund	-	8,609	8,609	-	-	895	896	-
<b>Mandate Under Discretionary Portfolio Services</b>	756	1,191,709	73,714	1,118,751	77	124,605	7,737	118,041
<b>Key management personnel</b>	126,373	53,616	106,030	73,959	12,911	5,592	10,913	7,803
	----- Units ----- (Rupees in '000) -----							
<b>Associated Companies:</b>								
Adamjee Life Assurance Company Limited - Tameen	-	2,636,348	721,343	1,915,005	-	270,000	75,000	199,179
Hyundai Nishat Motor Private Limited Employees Provident Fund	177,940	-	164,165	13,775	18,143	-	16,820	1,433
Arif Habib Securities Limited Employees Provident Fund Trust	-	80,417	-	80,417	-	8,209	-	8,364
Adamjee Insurance Company Limited Window Takatful Operations	508,711	-	-	508,711	51,869	-	-	52,911
Mcbfsl Trustee Alhamra Smart Portfolio	890,625	935,030	551,565	1,274,090	90,809	95,891	56,788	132,518
<b>Mandate Under Discretionary Portfolio Services</b>	1,264,649	754,172	633,698	1,385,124	128,945	77,402	64,931	144,066
<b>Key management personnel</b>	59,539	185,156	171,979	72,717	6,071	19,072	17,763	7,563
<b>Unit Holders Holding 10% or More</b>	8,773,314	110,357	-	8,883,671	894,534	11,399,979	-	923,987

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 11 EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 0.99% (September 30, 2021: 1.03%) and this includes 0.12% (September 30, 2021: 0.08%) representing government levy, SECP fee etc.

### 12 CORRESPONDING FIGURES

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

12.2 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.

### 13 FAIR VALUE MEASUREMENTS

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 (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

### 14 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on October 21, 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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