

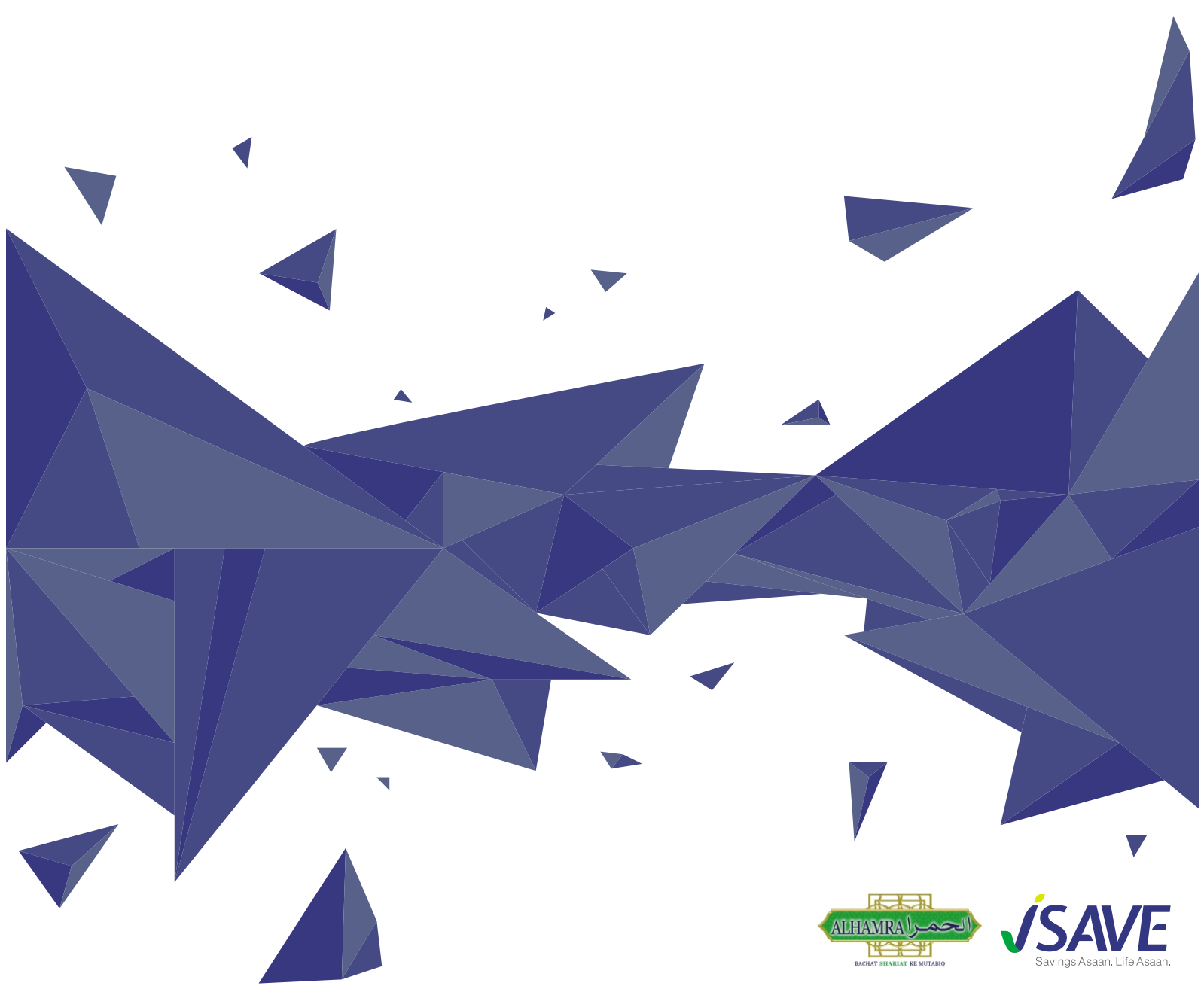


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2022
(UNAUDITED)

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



ALHAMRA ISLAMIC INCOME FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Credit Committee	Mr. Nasim Beg Mr. Ahmed Jahangir	Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited 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	
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Income Fund** accounts review for the half year ended December 31, 2022.

ECONOMY AND MONEY MARKET REVIEW

The macroeconomic landscape continued to remain challenging. The economy was jolted with the worst floods in more than a decade, which caused severe damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. Earlier, elevated commodity prices due to pent up demand post covid restrictions saw another upward push due to escalation of Russia-Ukraine conflict.

SBP foreign exchange reserves have fallen to critically low levels of USD 3.2 billion (import cover of less than 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Due to tough impact on vast majority of poor population, government has been reluctant to agree to harsh steps which are pre-condition to IMF loans such as increasing electricity, gas and petrol prices. Unlocking IMF funding however remains critical as the delay in the IMF program is leading to a slowdown in foreign flows from bilateral and multilateral partners.

The country posted a current account deficit (CAD) of USD 3.1 billion in first five months of the fiscal year 2023 (5MFY23) declining by 57% YoY compared to a deficit of USD 7.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 2.0% decrease in exports coupled with 16.2% drop in imports led to 26% contraction in trade deficit. The government initially kept a lid on imports through administrative measures such as imposing import quotas on selective imports. These import restrictions helped the Rupee gain some strength against the USD, from a low of 240 in July 2022 to PKR 226.4 at December 2022 end.

Headline inflation represented by CPI averaged 25.0% during the half as compared to 9.8% 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 pressures were broad based which is depicted by core inflation increasing to 16.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 16.0% in the latest monetary policy held in November 2022. On the fiscal side, FBR tax collection increased by 17.0% in 1HFY23 to PKR 3,428 billion compared to PKR 2,929 billion in the same period last year. This missed the target by 218 billion.

Secondary markets yields increased in the half on account of monetary tightening and an additional bout of inflationary pressures post floods. The 3,6 and 12 Month T-Bills yield increased by 171, 184 and 170 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 219,168 and 78bps respectively during 1HFY23.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 13.64% as against its benchmark return of 5.37%. The fund was 36.70% invested in Cash and 24.8% in Sukuk.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 6,692 million as compared to Rs. 4,783 million as at June 30, 2022 registering an increase of 39.912%.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 109.1875 as compared to opening NAV of Rs. 102.1635 per unit as at June 30, 2022 registering an increase of Rs. 7.024 per unit.

ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.6% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

6.8% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 3.1%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 18% YoY to USD 59 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 6.8 billion (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

The successful resumption of IMF program will unlock funding from bilateral and multilateral sources. The aid commitment by multilateral agencies in the aftermath of floods 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 in the medium term to stave off external concerns.

The rupee has recovered from its recent low due to continuous drain in forex reserves encouraging spreads in Interbank and open market to widen significantly. We believe that restoring a market based exchange rate would bring equilibrium by incentivizing exports and remittances and discouraging imports. Thus we expect USD/PKR to close at 251 by fiscal year end on an assumed REER of 90.

We expect Average FY23 inflation to clock at 24.8% compared to 12.1% in FY22. We foresee the second round impact of the currency devaluation and expected increase in petroleum, electricity and gas prices, which will keep inflation numbers elevated for remainder of the year. SBP has increased the policy rate to 16.0% to cool aggregate demand and deescalate inflationary pressures. Given the significant economic challenges, we do not rule out a scenario where SBP further increases interest rates in the next monetary policy. We expect monetary easing cycle to begin in second half of CY23 where decline in inflation can provide some breather.

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 9.1%, a discount of 55% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 7.1%, compared to historical average of 2.7% 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. However, we do not see this potential translating into gains, unless issues on the external fronts are dealt with. The market is currently trading at PER of 4.8x, while offering a dividend yield of 11.2%.

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 funds industry increased by about 26.1% during 1HFY23 to PKR 1,531 billion. Total money market funds grew by about 34.2% since June 2022. Within the money market sphere, the conventional funds showed a growth of 19.8% to PKR 535 billion while Islamic funds increased by 62.7% to PKR 367 billion. In addition, the total fixed Income funds increased by about 24.1% since June 2022 to PKR 370 billion. Equity and related funds declined by 13.3% as market witnessed a drop in 1HFY23, 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 58.9%, followed by Income funds with 24.2% and Equity and Equity related funds having a share of 13.0% as at the end of 1HFY23.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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.

ACKNOWLEDGEMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
February 03, 2023



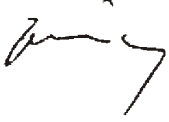
Nasim Beg
Director / Vice Chairman

ڈائریکٹرز رپورٹ

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۔

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
03 فروری 2023ء

ڈائریکٹرز رپورٹ

2023ء کی دوسری ششماہی میں مالیاتی تسہیل کا دور شروع ہوگا، اور مہنگائی میں کمی سے حالات میں بہتری آئے گی۔ 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 کی قدر کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.1 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 7.1 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اصل قدر کے مقابلے میں بہت کم پرفورمنٹ ہو رہی ہیں۔ تاہم ہمیں نہیں لگتا کہ خارجی جہات کے مسائل سے نمٹے بغیر اس استعداد سے منافع حاصل ہوں گے۔ موجودہ حالات پر مارکیٹ میں 4.8x PER پر تجارت چل رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 11.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور پُرکشش 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 خالص اثاثہ جات مالی سال 2023ء کے نصف اول کے دوران تقریباً 26.1 فیصد بڑھ کر 1,531 بلین روپے ہو گئے۔ مجموعی منی مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 34.2 فیصد اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 19.8 فیصد بڑھ کر 535 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 62.7 فیصد بڑھ کر 367 بلین روپے ہو گئے۔ مزید برآں، مجموعی فلکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.1 فیصد بڑھ کر 370 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 13.3 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کے نصف اول 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 کے نصف اول کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.9 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 24.2 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 13.0 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمدورفت 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 پُرکشش 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۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 13.64 فیصد تھا، جبکہ مقررہ معیار کا منافع 5.37 فیصد تھا۔ فنڈ کی سرمایہ کاری سسٹمک میں 24.8 فیصد اور نقد میں 36.70 فیصد تھی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 6,692 ملین روپے تھے جو 30 جون 2022ء کی سطح 4,783 ملین روپے کے مقابلے میں 39.912 فیصد کا اضافہ ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 109.1875 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جات 109.1875 روپے فی یونٹ کے مقابلے میں 7.024 روپے فی یونٹ کا اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.6 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت سنست روی کا شکار ہو جائے گی۔ سیلاب کی تباہ کاریوں کے ضمن میں کپاس اور چاول کی فصلوں کے ضیاع کے باعث زراعت کی ترقی متاثر ہو کر 0.4 فیصد ہو جائے گی جبکہ صنعتی ترقی 6.8- فیصد متوقع ہے جس کی وجہ مانگ میں سنست روی اور خام مال کی قلت ہیں۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس کے باعث خدمات کے شعبے کی ترقی کم ہو کر 3.1 فیصد ہو جائے گی۔

ہم حکومت سے توقع کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجاتی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 18 فیصد YoY کم ہو کر 59 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سنکڑ جائیں گے۔ چنانچہ ہمیں توقع ہے کہ مالی سال 2023ء میں کرنٹ اکاؤنٹ خسارہ (CAD) کم ہو کر 6.8 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں ایک بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیابی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ سیلاب کی تباہ کاریوں کے ضمن میں کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمداتی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ وقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سنکک جاری کریں۔ ایف ڈی آئی اور آر ڈی اے سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہیں گی۔ چنانچہ ہمیں درمیانی مدت میں قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

غیر ملکی زرمبادلہ کے ذخائر میں مسلسل کمی کی وجہ سے روپیہ اپنی حالیہ کم ترین سطح سے بحال ہوا ہے جس سے انٹربینک اور اوپن مارکیٹ میں فرق کو نمایاں طور پر وسیع کرنے کی حوصلہ افزائی ہوئی ہے۔ ہم سمجھتے ہیں کہ مارکیٹ پر مبنی شرح زرمبادلہ سے توازن پیدا ہوگا کیونکہ برآمدات اور ترسیلات زر میں ترغیبات پیدا ہوں گی اور درآمدات کی حوصلہ شکنی ہوگی۔ چنانچہ ہماری توقع ہے کہ 90 کے مفروضہ REER پر مالی سال کے اختتام پر ڈالر/روپیہ تقریباً 251 روپے پر ہوگا۔

مالی سال 2023ء میں اوسط مہنگائی 24.8 فیصد متوقع ہے، بالمقابل مالی سال 2022ء میں 12.1 فیصد کے روپے کی قدر میں کمی کے اثر کا دوسرا دور، اور پٹرول، بجلی اور گیس کی قیمتوں میں اضافہ بھی متوقع ہے، جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ ایس بی پی نے پالیسی شرح کو بڑھا کر 16.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں قابل ذکر سنست روی اور مانگ میں کمی کے باعث اس بات کا امکان خارج از بحث نہیں ہے کہ ایس بی پی اگلی ماٹری پالیسی میں شروع سود میں مزید اضافہ کرے۔ ہمیں اُمید ہے کہ مالی سال

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحراء اسلامک انکم فنڈ کے اکاؤنٹس مختتمہ 31 دسمبر 2022ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

ملک کا مجموعی معاشیاتی منظر بدستور ناخوشگوار رہا۔ معیشت گزشتہ دہائی سے زیادہ کے بدترین سیلاب کے باعث شدید متاثر ہوئی جس سے انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ اس سے قبل، کووڈ پابندیوں کے بعد اجناس کی بڑھتی ہوئی مانگ کی وجہ سے اشیاء کی قیمتوں میں روس-یوکرین کے تنازعہ کی وجہ سے مزید اضافہ دیکھا گیا۔

ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 3.2 بلین ڈالر ہو گئے ہیں (جو صرف تین ہفتوں کا درآمداتی ادائیگیوں کو پورا کر سکتے ہیں) بالمتقابل مالی سال کے آغاز پر جو 9.8 بلین ڈالر تھے۔ غریب آبادی کی اکثریت پر کڑے اثرات کی وجہ سے حکومت سخت اقدامات پر راضی ہونے سے گریزاں ہے جو آئی ایم ایف کے قرضوں کی پیشگی شرط ہیں جیسے بجلی، گیس اور پیٹرول کی قیمتوں میں اضافہ۔ تاہم آئی ایم ایف کی فنڈنگ کو غیر مقفل کرنا بہت اہم ہے کیونکہ آئی ایم ایف پروگرام میں تاخیر و طرفہ اور کثیر جہتی شراکت داروں سے غیر ملکی بہاؤ میں سست روی کا باعث بن رہی ہے۔

ملک نے مالی سال 2023 کے پہلے پانچ ماہ میں 3.1 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو 57 سال در سال کم تھا، بالمتقابل گزشتہ سال مماثل مدت میں 7.2 بلین ڈالر تجارتی خسارے میں کمی کرنٹ اکاؤنٹ خسارے (CAD) میں بہتری کا اہم ترین سبب تھی کیونکہ برآمدات میں 2 فیصد کمی کے ساتھ ساتھ درآمدات میں 16.2 فیصد کمی کے نتیجے میں تجارتی خسارہ 26 فیصد سکڑ گیا۔ حکومت نے انتظامی اقدامات مثلاً منتخب اشیاء پر درآمداتی کوٹے عائد کرنے کے ذریعے درآمدات کو قابو میں رکھا۔ ان درآمداتی پابندیوں سے روپے کو بمقابلہ ڈالر کچھ تقویت حاصل ہوئی اور روپے کی قدر جولائی 2022ء میں 240 کی پست سطح سے اٹھ کر دسمبر 2022ء کے اختتام تک 226.4 ہو گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط دوران ششماہی 25.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 9.8 فیصد تھا۔ سیلابوں کے نتیجے میں اشیاء خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پیٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار بنیادی افراط زر (core inflation) میں 16.4 فیصد کمی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے نومبر 2022ء کی تازہ ترین ماہی پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 16.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی ششماہی میں 17.0 فیصد اضافہ ہوا اور 3,428 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل مدت میں 2,929 بلین روپے تھا۔ اس طرح ہدف سے 218 بلین روپے کم ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دوران ششماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دوران ششماہی 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 171، 184 اور 170 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 168، 219 اور 78 بی پی ایس کا اضافہ ہوا۔

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ALHAMRA ISLAMIC INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Islamic Income Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 20, 2023



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



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS OF ALHAMRA ISLAMIC INCOME FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alhamra Islamic Income Fund** ("the Fund") as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2022. The Board of the Management Company (MCB Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures of the condensed interim financial information for the quarter ended December 31, 2022, have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.


Chartered Accountants

Place: Karachi

Dated: February 17, 2023

UDIN: RR202210057aEwImpSGA

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

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	2,465,768	1,855,629
Investments	6	3,083,934	3,223,232
Profit receivable		133,068	82,207
Advance against IPO Subscription of Sukuk	7	1,024,000	377,000
Advances, deposits, prepayments and other receivables		10,046	19,982
Total assets		6,716,816	5,558,050
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	8	5,291	5,261
Payable to Central Depository Company of Pakistan Limited - Trustee		491	419
Payable to Securities and Exchange Commission of Pakistan		603	1,506
Dividend payable		3	3
Payable against purchase of investments		-	741,576
Accrued expenses and other liabilities	9	18,830	25,910
Total liabilities		25,218	774,675
NET ASSETS		6,691,598	4,783,375
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,691,598	4,783,375
CONTINGENCIES AND COMMITMENTS			
	10	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		61,285,395	46,820,768
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		109.1875	102.1635

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


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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
INCOME					
Income from government securities		66,567	25,909	34,255	15,033
Capital gain on sale of investments - net		581	127	20	-
Income from sukuk certificates		188,479	68,480	98,396	36,922
Profit on deposits with bank		155,417	115,999	93,278	71,327
Income on term deposits receipts and Bai Muajjal		29,947	56,707	21,193	25,096
Income on commercial paper		2,135	24,367	1	12,739
Unrealised (loss) / gain in fair value of investments classified as 'at fair value through profit or loss' - net	6.5	(14,619)	5,848	(6,425)	(2,814)
Other income		-	600	-	592
Total income		428,507	298,037	240,718	158,895
EXPENSES					
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	8.1	16,425	14,464	7,829	8,068
Sindh Sales Tax on remuneration of Management Company		2,135	1,880	1,017	1,048
Allocated expenses	8.3	3,015	3,764	1,664	1,956
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,261	2,824	1,247	1,469
Sindh Sales Tax on remuneration of the Trustee		294	367	162	191
Annual fees of Securities and Exchange Commission of Pakistan		603	753	333	393
Auditors' remuneration		381	308	212	155
Security and transaction cost		10	58	-	1
Marketing and selling expenses	8.4	805	6,458	805	-
Settlement and bank charges		271	408	137	261
Fees and subscriptions		259	457	129	119
Legal and professional charges		80	427	13	35
Shariah advisory fee		360	363	179	181
Reversal against Sindh Workers' Welfare Fund		-	(24,787)	-	-
Printing and related costs		14	11	(17)	(14)
Total expenses		26,913	7,755	13,710	13,863
Net income from operating activities		401,594	290,282	227,008	145,032
Net income for the period before taxation		401,594	290,282	227,008	145,032
Taxation	11	-	-	-	-
Net income for the period after taxation		401,594	290,282	227,008	145,032
Allocation of net income for the period:					
Net income for the period after taxation		401,594	290,282	227,008	145,032
Income already paid on units redeemed		(63,215)	(55,070)	(39,670)	(39,670)
		338,379	235,212	187,338	105,362
Accounting income available for distribution					
Relating to capital loss		-	4,489		
Excluding capital gains		338,379	230,723		
		338,379	235,212		
Earnings per unit	12				

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

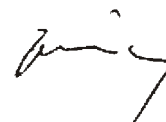
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	401,594	290,282	227,008	145,032
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	401,594	290,282	227,008	145,032

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31,					
	2022			2021		
	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total
	----- (Rupees in '000) -----					
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 94,148,961 units (2021: 63,508,151 units):						
- Capital value (at net asset value per unit at the beginning of the period)	9,618,590	-	9,618,590	6,475,342	-	6,475,342
- Element of income	322,804	-	322,804	97,711	-	97,711
	9,941,394	-	9,941,394	6,573,053	-	6,573,053
Redemption of 79,684,334 units (2021: 45,156,642 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(8,140,833)	-	(8,140,833)	(4,604,207)	-	(4,604,207)
- Element of income	(230,717)	(63,215)	(293,932)	(41,283)	(55,070)	(96,353)
	(8,371,550)	(63,215)	(8,434,765)	(4,645,490)	(55,070)	(4,700,560)
Total comprehensive income for the period	-	401,594	401,594	-	290,282	290,282
Net assets as at the end of the period	6,317,697	373,901	6,691,598	7,470,148	267,743	7,737,891
Undistributed income brought forward						
- Realised		37,763			17,785	
- Unrealised		(2,241)			14,746	
		35,522			32,531	
Accounting income available for distribution						
- Relating to capital gains		-			4,489	
- Excluding capital gains		338,379			230,723	
		338,379			235,212	
Undistributed income carried forward		373,901			267,743	
Undistributed income carried forward						
- Realised		388,520			261,895	
- Unrealised		(14,619)			5,848	
		373,901			267,743	
	-- (Rupees) --					
Net assets value per unit as at beginning of the period	102.1635			101.9608		
Net assets value per unit as at end of the period	109.1875			105.9542		

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


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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31,	
	2022	2021
	(Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	401,594	290,282
Adjustments for non cash and other items:		
Unrealised loss / (gain) in value of investments classified as 'at fair value through profit or loss' - net	14,619	(5,848)
Reversal against Sindh Workers' Welfare Fund	-	(24,787)
	416,213	259,647
(Increase) / decrease in assets		
Investments	124,679	(20,413)
Profit receivable	(50,861)	(16,838)
Advance against IPO Subscription of Sukuk	(647,000)	(602,000)
Advances, deposits and prepayments	9,936	6,545
	(563,246)	(632,706)
(Decrease)/ Increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	30	2,261
Payable to Central Depository Company of Pakistan Limited - Trustee	72	57
Payable to Securities and Exchange Commission of Pakistan	(903)	(588)
Dividend payable	-	-
Payable against purchase of investments	(741,576)	(605,180)
Accrued expenses and other liabilities	(7,080)	(12,262)
	(749,457)	(615,712)
Net cash used in operating activities	(896,490)	(988,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	9,941,394	6,573,053
Payments on redemption of units	(8,434,765)	(4,700,560)
Net cash generated from financing activities	1,506,629	1,872,493
Net increase in cash and cash equivalents during the period	610,139	883,722
Cash and cash equivalents at beginning of the period	1,855,629	2,722,889
Cash and cash equivalents at end of the period	2,465,768	3,606,611

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

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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/MCBIF/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 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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.

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.

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

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

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

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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 IAS 34, 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 the requirements of the Trust Deed have been followed.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

The disclosures made in this condensed interim financial information are limited, based on the requirements of the IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded to the nearest thousand rupees, unless otherwise specified.

3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund as at and for the year ended June 30, 2022.

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2022.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2022.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note		----- (Rupees in '000) -----	
5. BANK BALANCES			
Savings accounts	5.1	2,443,599	1,834,486
Current accounts	5.2	22,169	21,143
		2,465,768	1,855,629

5.1 These carry profit at the rates ranging between 12.52% to 16% (June 30, 2022: 6.55% to 15.51%) per annum and include Rs. 22.76 million (June 30, 2022: Rs. 1.803 million) maintained with MCB Islamic Bank Limited (a related party).

5.2 These include Rs. 0.221 million (June 30, 2022: Rs 21.115 million) maintained with MCB Bank Limited, a related party / connected person.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note		----- (Rupees in '000) -----	
6. INVESTMENTS			
Financial assets at fair value through profit or loss			
Sukuk certificates- Unlisted	6.1	1,550,453	1,991,000
Government of Pakistan (GoP) Ijara sukuks	6.2	978,482	980,163
Term deposit receipts	6.3	555,000	-
Commercial paper	6.4	-	252,069
		3,083,934	3,223,232

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

6.1 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 December 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at June 30, 2022	Purchased during the period	Matured during the period	Disposed off during the period	As at December 31, 2022	Carrying value	Market value			Unrealized (loss)
Chemical										
Ghani Chemical Industries (Formerly: Ghani Gases Limited)	1,000	-	-	-	1,000	19,167	19,167	-	0.29	0.62
Pharmaceutical										
Aspin Pharma (Private) Limited	2,033	-	-	-	2,033	41,842	41,295	(547)	0.62	1.34
Power										
Pakistan Energy Sukuk * Karachi-Electric**	181,100 400	-	-	-	181,100	911,839	905,500	(6,339)	13.53	29.36
Miscellaneous										
Pakistan Electron Limited**	225	-	-	-	225	223,717	224,098	381		
Bank										
Meezan Bank Limited	355	-	-	-	355	365,849	360,392	(5,457)	5.39	11.69
As at December 31, 2022						1,562,413	1,550,453	(11,960)		
As at June 30, 2022						1,991,943	1,991,000	(943)		

* Face value of the certificate is Rs. 5,000

** Face value of the certificate is Rs. 1,000,000

6.1.1 Significant terms and conditions of sukuk certificates held as at December 31, 2022 are as follows:

Particulars	Issue date	Maturity date	Offered rate	Issue rating
Ghani Gases Limited	03-Feb-17	02-Feb-24	3 months KIBOR + 1.00%	A
Aspin Pharma (Private) Limited	30-Nov-17	30-Nov-23	3 months KIBOR + 1.50%	A
Pakistan Energy Sukuk	21-May-20	20-May-30	6 months KIBOR - 0.10%	Unrated
Meezan Bank Limited	09-Jan-20	09-Jan-30	6 months KIBOR + 0.90%	AAA
Pakistan Electron Limited	15-Nov-21	15-Feb-23	3 months KIBOR + 1.3%	A+

6.2 Government Securities - Government of Pakistan (GoP) Jiara sukuku

Issue Date	face value				As at December 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at June 30, 2022	Purchased during the period	Matured during the period	Disposed off during the period	As at December 31, 2022	Carrying Value	Market Value			Unrealized (loss)
29-May-20	110,000	700,000	-	700,000	110,000	110,027	109,494	(533)	1.64	3.55
24-Jun-20	425,000	-	-	-	425,000	423,866	423,045	(821)	6.32	13.72
29-Jul-20	63,000	-	-	-	63,000	62,737	62,937	200	0.94	2.04
06-Oct-21	185,000	-	-	-	185,000	184,511	183,946	(565)	2.75	5.96
26-Oct-22	-	200,000	-	-	200,000	200,000	199,060	(940)	2.97	6.45
15-Dec-21	-	275,400	-	275,400	-	-	-	-	-	-
27-Apr-22	200,000	-	-	200,000	-	-	-	-	-	-
As at December 31, 2022						981,141	978,482	(2,659)		
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 HALF YEAR ENDED DECEMBER 31, 2022**

6.3 Term deposit receipts

Particulars	Profit rate	Issue Date	Maturity Date	Face value	Carrying value	%	
						----- (Rupees in '000) -----	----- % -----
MCB Islamic Bank Limited - related party	15.15%	August 24, 2022	August 24, 2023	555,000	555,000	8.29	18.00
As at December 31, 2022				555,000	555,000		
As at June 30, 2022				-	-		

6.4 Commercial paper

Particulars	Issue Rating	Profit rate	Issue date	Maturity date	Face value	Carrying value	%	
							----- (Rupees in '000) -----	----- % -----
Mughal Iron & Steel Industries Limited	AA	16.19%	July 26, 2021	July 21, 2022	-	-		
As at December 31, 2022					-	-		
As at June 30, 2022					250,000	252,069		

6.5 Unrealised (loss) / gain in fair value of investments classified as 'at fair value through profit or loss' - net

Market value of investments	6.1 & 6.2	2,528,935	2,256,644
Carrying value of investments	6.1 & 6.2	(2,543,554)	(2,250,796)
		(14,619)	5,848

(Un-audited) (Un-audited)
December 31, December 31,
2022 2021
----- (Rupees in '000) -----
Note

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

7 ADVANCE AGAINST IPO SUBSCRIPTION OF SUKUK

This includes an amount of Rs. 377 million, Rs. 625 million and Rs. 22 million (June 30, 2022: 377 million paid as advance against subscription of IPO of Meezan Bank Limited) paid as advance against subscription of IPO of Meezan Bank Limited, Nishat Mills Limited and Dubai Islamic Bank respectively.

		(Un-audited) December 31, 2022	June 30, 2022
	Note	(Rupees in '000)	
8. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	2,807	3,427
Sindh sales tax payable on management remuneration	8.2	365	445
Sales load payable		674	834
Payable against shariah advisory fee		60	60
Payable against allocated expenses	8.3	579	495
Payable against marketing and selling expenses	8.4	806	-
		5,291	5,261

8.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 10% of the gross earnings of the fund, calculated on daily basis. The remuneration is payable to the Management Company monthly in arrears.

8.2 Sindh Sales Tax on management fee has been charged at 13% (June 30, 2022: 13%).

8.3 ALLOCATED EXPENSES

'In accordance with NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

8.4 SELLING AND MARKETING EXPENSES

'The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax on			
- Management fee	9.1	8,639	8,639
- Sales load		3,028	3,028
Auditors' remuneration		337	421
Capital gain tax		3,115	12,707
Printing charges payable		30	40
Others		3,681	1,075
		18,830	25,910

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

9.1 Federal Excise Duty (FED) 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 December 31, 2022 would have been higher by Re. 0.190 per unit (June 30, 2022: Re.0.249 per unit).

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

As reported in the annual audited financial statements of the Fund for the year ended June 30, 2022, 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) and has also 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.

10.2 Commitments

There were no commitments as at December 31, 2022 (June 30, 2022: Nil).

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the period ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

12. 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.

13. TOTAL EXPENSE RATIO

The total annualized expense ratio of the Fund from July 1, 2022 to December 31, 2022 is 0.89% as on December 31, 2022 (December 31, 2021: 0.87%) and this includes 0.10% (December 31, 2021: 0.08%) representing government levy.

14 TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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 HALF YEAR ENDED DECEMBER 31, 2022**

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

For the half year ended December 31, 2022 (Un-audited)

As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022
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----- Units ----- (Rupees in '000)

Associated Companies / Undertakings:

Mcb-Arif Habib Savings And Investments Limited	-	625,768	340,420	285,348	-	66,016	35,613	-
Adamjee Life Assurance Co. Ltd. Amaanat Fund	-	493,041	493,041	0	-	52,000	52,894	-
Adamjee Life Assurance Company Limited - Tameen	-	5,877,273	1,683,993	4,193,280	-	620,073	175,870	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	193,996	130,094	63,902	-	19,913	13,800	-
Arif Habib Securities Limited Employees Provident Fund Trust	87,440	-	14,147	73,293	8,933	-	1,500	-
MCBFSL Trustee Alhamra Smart Portfolio	1,009,242	86,117	371,989	723,370	103,108	9,042	39,170	-
Adamjee Life Assurance Co. Ltd - Saman	-	11,351	11,351	0	-	1,180	1,237	-
Adamjee Life Assurance Co. Ltd Managed Growth Fund	-	8,609	8,609	-	-	895	896	-
Mandate Under Discretionary Portfolio Services	756	2,271,413	611,167	1,661,002	77	240,962	66,335	-
Key management personnel	126,373	172,259	236,041	62,591	12,911	18,248	24,849	-

For the half year ended December 31, 2021 (un-audited)

As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021
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----- Units ----- (Rupees in '000)

Associated Companies / Undertakings:

Adamjee Life Assurance Co. Ltd -Mazaaf	-	1,194,735	1,056,590	138,145	-	125,000	111,000	14,637
Adamjee Life Assurance Company Limited - Tameen	-	5,583,018	3,907,548	1,675,470	-	580,000	410,000	177,523
Hyundai Nishat Motor Private Limited Employees Provident Fund	177,940	4,767	182,707	-	18,143	500	18,767	-
Arif Habib Securities Limited Employees Provident Fund Trust	-	80,417	9,457	70,960	-	8,209	1,000	7,519
Adamjee Insurance Company Limited Window Takaful Operations	508,711	508,711	508,711	508,711	51,869	53,885	53,885	53,900
Mandate Under Discretionary Portfolio Services	1,086,709	1,760,364	1,954,055	893,018	110,802	183,047	204,455	94,619
Key management personnel	59,539	271,928	267,433	64,034	6,071	28,155	27,749	6,785
Unit holder holding 10% or more	8,773,314	110,357	-	8,883,671	894,534	11,400	-	941,262

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	18,560	16,344
Shariah advisory fee	360	363
Allocated expenses	3,015	3,764
Marketing and selling expenses	805	6,458
MCB Bank Limited - Parent of the Management Company		
Bank charges	77	124
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Profit on bank balances	12,787	20
Profit on TDR	29,947	25,261
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	2,555	3,191
CDC settlement charges	2	65

14.3 Amount outstanding as at period / year end

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
MCB - Arif Habib Savings & Investment Limited - Management Company		
Management remuneration payable	2,807	3,427
Sindh sales tax payable on management remuneration	365	445
Sale load payable	536	834
Back end load payable	138	-
Payable against Shariah advisory fee	60	60
Payable against allocated expenses	579	495
Payable against marketing and selling expenses	806	-
MCB Bank Limited - Parent of the Management Company		
Bank deposit	22,765	21,556
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Bank balances	221	704
Term Deposit Receipt	555,000	-
Markup Receivable on Term Deposit Receipt	29,947	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	434	371
Sindh Sales tax payable on remuneration of Trustee	56	48
Security deposits	100	100

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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

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

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

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

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

	December 31, 2022 (Un-audited)						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Sukuk certificates- Unlisted	1,550,453	-	1,550,453	-	1,550,453	-	1,550,453
Government securities - GoP Ijara sukuks	978,482	-	978,482	-	978,482	-	978,482
Commercial paper	-	-	-	-	-	-	-
Term Deposit Receipts	555,000	-	555,000	-	555,000	-	555,000
	3,083,934	-	3,083,934	-	3,083,934	-	3,083,934

Financial assets not measured at fair value

Bank balances	-	2,465,768	2,465,768
Profit receivable	-	133,068	133,068
Advance against IPO Subscription of Sukuk	-	1,024,000	1,024,000
Deposit and other receivables	-	10,046	10,046
	-	3,632,882	3,632,882

Financial liabilities not measured at fair value

Payable to the Management Company	-	4,926	4,926
Payable to the Trustee	-	507	507
Dividend payable	-	3	3
Accrued expenses and other liabilities	-	-	-
	-	5,436	5,436

	June 30, 2022 (Audited)						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Sukuk certificates- Unlisted	1,991,000	-	1,991,000	-	1,991,000	-	1,991,000
Government securities - GoP Ijara sukuks	980,163	-	980,163	-	980,163	-	980,163
Commercial paper	252,069	-	252,069	-	252,069	-	252,069
	3,223,232	-	3,223,232	-	3,223,232	-	3,223,232

Financial assets not measured at fair value

Bank balances	-	1,855,629	1,855,629
Advance against IPO Subscription of Sukuk	-	377,000	377,000
Profit receivable	-	82,207	82,207
Deposit and other receivables	-	14,035	14,035
	-	2,328,871	2,328,871

Financial liabilities not measured at fair value

Payable to the Management Company	-	4,816	4,816
Payable to the Trustee	-	371	371
Dividend Payable	-	3	3
Payable against purchase of investments	-	741,576	741,576
Accrued expenses and other liabilities	-	1,536	1,536
	-	748,302	748,302

During the period ended December 31, 2022, there were no transfers between levels fair value measurements, and no transfer into and out of level 3 fair value measurements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

16 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 03, 2023 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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