

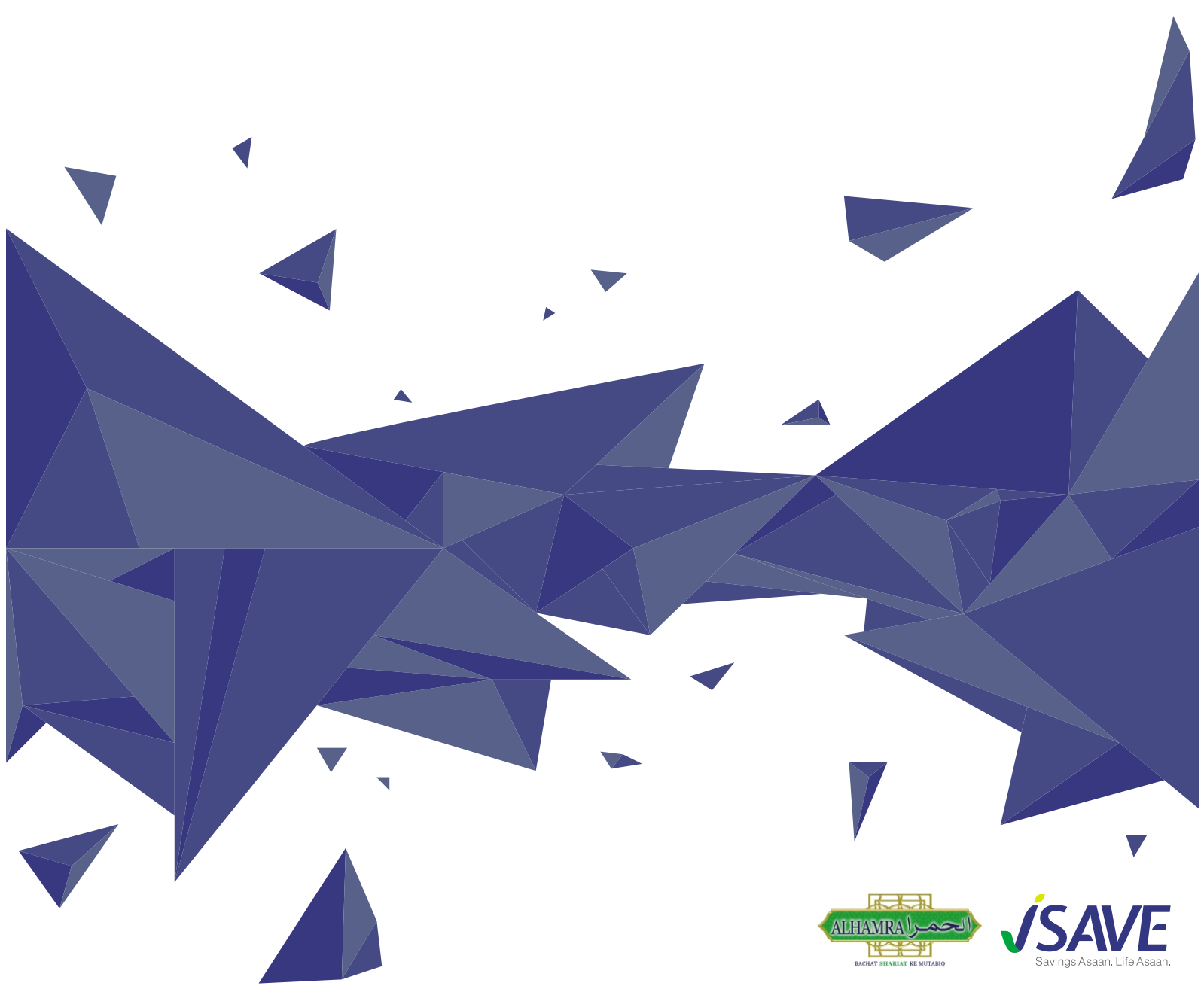


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2022
(UNAUDITED)

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



ALHAMRA ISLAMIC MONEY MARKET FUND

TABLE OF CONTENTS

1	Fund's Information	374
2	Report of the Directors of the Management Company	375
3	Trustee Report to the Unit Holders	382
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	383
5	Condensed Interim Statement of Assets And Liabilities	384
6	Condensed Interim Income Statement (Un-audited)	385
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	386
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	387
9	Condensed Interim Cash Flow Statement (Un-audited)	388
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	389

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
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	Digital Custodian Company Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
Bankers	MCB Bank Limited Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited National Bank Limited Askari Bank Limited Habib Bank Limited Bank Al Habib Limited Bank Al Falah Limited	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Money Market 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 posted a return of 14.93% compared to the benchmark return of 5.86%. In addition, the fund's exposure in Cash stood at 75.2% and 10.8% in Shariah Complaint Bank Deposits.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 28,732 million as compared to Rs. 11,894 million as at June 30, 2022 registering an increase of 141.5672%.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 99.5100 as compared to Rs. 99.5100 at June 30, 2022 as well.

****Converted into Islamic money market fund from 21st Aug 2020, hence this reflects performance from this date.***

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

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 -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



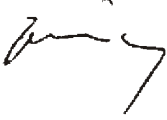
Nasim Beg
Director / Vice Chairman

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

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 مد نظر 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 پرفروخت 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 کے 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 اخطا 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 سہولت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

ڈائریکٹر رپورٹ

مطابق بینک ڈپازٹس میں 10.8 فیصد تھی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 28,732 ملین روپے تھے جو 30 جون 2022ء کی سطح 11,894 ملین روپے کے مقابلے میں 141.5672 فیصد کا اضافہ ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 99.5100 روپے تھی، جو 30 جون 2022ء کو بھی 99.5100 روپے فی یونٹ تھی۔

*21 اگست 2020ء سے اسلامک منی مارکیٹ فنڈ میں منتقل کرو یا گیا، چنانچہ یہ مذکورہ تاریخ سے کارکردگی کی عکاسی 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، بالمتقابل 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 ماہیٹری پالیسی میں شروع سود میں مزید اضافہ کرے۔ ہمیں اُمید ہے کہ مالی سال 2023ء کی دوسری ششماہی میں مالیاتی تسہیل کا دور شروع ہوگا، اور مہنگائی میں کمی سے حالات میں بہتری آئے گی۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

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

معیشت اور بازار زر 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) یا مقابلہ 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، یا مقابلہ 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 سنکڑ 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۔

ہیڈلائن مہنگائی، جس کی ترجمانی CPI یعنی صارفین کی 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 پٹرول 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۔ بیلز 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۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 14.93 فیصد منافع پوسٹ کیا، جبکہ مقررہ معیار کا منافع 5.86 فیصد تھا۔ جبکہ فنڈ کی نقد میں شمولیت 75.2 فیصد اور شریعت کے

TRUSTEE REPORT TO THE UNIT HOLDERS



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

AL HAMRA ISLAMIC MONEY MARKET FUND

Report of the Trustee Pursuant to Regulation 41(h) and clause 9 of the schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Al Hamra Islamic Money Market Fund an open-ended scheme and has been constituted by a Trust Deed entered into at Karachi on dated 22 July, 2015, as amended through the modified and restated First Supplemental Trust Deed dated July 17th, 2020 between MCB Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Limited as Trustee.

1. MCB Arif Habib and Investments Limited, The Management Company of Al Hamra Islamic Money Market Fund has in all material respects, managed Al Hamra Islamic Money Market Fund for the period ended December 31st, 2022 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement.


Faisal Amin
Authorize Signatory
Digital Custodian Company Limited

Karachi: February 23, 2023

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



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
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ey.com/pk

To the Unit holders of Alhamra Islamic Money Market Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Alhamra Islamic Money Market Fund** (the Fund) as at **31 December 2022**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2022.

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 interim financial statements 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 16 February 2023

Place: Karachi

UDIN Number: RR2022100761eH8kwatO

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

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note	----- (Rupees in '000) -----	
ASSETS		
Bank balances	21,627,363	10,688,556
Investments	6,725,000	1,078,000
Mark-up receivable on investments and bank balances	418,257	186,524
Advances and deposits	1,487	1,387
Total assets	28,772,107	11,954,467
LIABILITIES		
Payable to Management Company	14,782	3,249
Payable to Digital Custodian Company - Trustee	1,641	746
Payable to the Securities and Exchange Commission of Pakistan	2,308	2,789
Dividend payable	13,420	4,250
Accrued expenses and other liabilities	8,118	49,212
Total liabilities	40,269	60,246
CONTINGENCIES AND COMMITMENTS		
	11	
NET ASSETS	28,731,838	11,894,221
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	28,731,838	11,894,221
	----- (Number of Units) -----	
NUMBER OF UNITS IN ISSUE	288,733,174	119,527,899
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	99.5100	99.5100

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

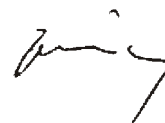
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		----- (Rupees in '000) -----			
INCOME					
Markup on investments		281,186	221,431	198,004	89,457
Gain / (loss) on sale of investments classified as 'at fair value through profit or loss' - net		331	(70)	331	(70)
Mark-up on bank deposit		1,458,574	371,196	740,007	211,549
Total Income		1,740,091	592,557	938,342	300,936
EXPENSES					
Remuneration of the Management Company		45,667	10,016	26,341	3,825
Sindh sales tax on remuneration of the Management Company		5,937	1,302	3,425	497
Allocated expenses	6	2,484	142	-	-
Selling and marketing expenses	7	6,530	3,554	-	-
Remuneration of Digital Custodian Company - Trustee	8	7,495	4,769	4,022	2,365
Sindh sales tax on remuneration of trustee		974	620	523	307
Annual fee of Securities and Exchange Commission of Pakistan	9	2,308	1,467	1,238	727
Reversal against Sindh Workers' Welfare Fund		-	(10,909)	-	-
Auditors' remuneration		414	321	250	183
Charity expense		1,294	274	1,294	274
Legal and professional charges		81	467	14	35
Settlement and bank charges		908	534	514	417
Shahriah fee		360	338	176	176
Fees and subscriptions		109	202	55	138
Printing and related costs		14	29	(17)	7
Total expenses		74,575	13,126	37,835	8,951
Net income for the period before taxation		1,665,516	579,431	900,507	291,985
Taxation	13	-	-	-	-
Net income for the period		1,665,516	579,431	900,507	291,985
Earnings per unit	14				
Allocation of net income for the period after taxation					
Net income for the period		1,665,516	579,431		
Income already paid on units redeemed		-	-		
		1,665,516	579,431		
Accounting income available for distribution:					
- Relating to capital gains		331	-		
- Excluding capital gains		1,665,185	579,431		
		1,665,516	579,431		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

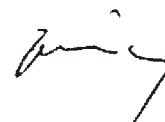
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period	1,665,516	579,431	900,507	291,985
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,665,516</u>	<u>579,431</u>	<u>900,507</u>	<u>291,985</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period	11,889,529	4,692	11,894,221	15,252,938	4,692	15,257,630
Issue of 368,880,291 units (2021: 86,230,508 units)						
- Capital value	36,707,278	-	36,707,278	8,580,798	-	8,580,798
- Element of Income	-	-	-	-	-	-
Total proceeds on issuance of units	36,707,278	-	36,707,278	8,580,798	-	8,580,798
Redemption of 199,675,016 units (2021: 102,790,676 units)						
- Capital value	(19,869,661)	-	(19,869,661)	(10,228,700)	-	(10,228,700)
- Amount paid out of element of income	-	-	-	-	-	-
Total payments on redemption of units	(19,869,661)	-	(19,869,661)	(10,228,700)	-	(10,228,700)
Total comprehensive income for the period	-	1,665,516	1,665,516	-	579,431	579,431
Distribution made during the period (note 17)	-	(1,665,516)	(1,665,516)	-	(579,431)	(579,431)
Net income for the period less distribution	-	-	-	-	-	-
Net assets as at the end of the period	28,727,146	4,692	28,731,838	13,605,036	4,692	13,609,728
Undistributed income brought forward						
- Realized income at the beginning of the period		4,692			4,692	
- Unrealized income at the beginning of the period		-			-	
		4,692			4,692	
Accounting income available for distribution						
- Relating to capital gains		331			-	
- Relating to other than capital gains		1,665,185			579,431	
		1,665,516			579,431	
Distributions during the period		(1,665,516)			(579,431)	
Undistributed income carried forward		4,692			4,692	
Undistributed income carried forward						
- Realised		4,692			4,692	
- Unrealised		-			-	
		4,692			4,692	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		99.5100			99.5100	
Net assets value per unit at end of the period		99.5100			99.5100	

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

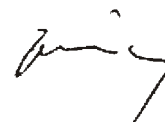
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended	
	December 31,	
Note	2022	2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,665,516	579,431
Adjustments for non cash and other items:		
Mark-up on investment and bank balances	(1,739,760)	(592,627)
(Gain) / loss on sale of investments classified as 'at fair value through profit or loss' - net	(331)	70
Reversal for Sindh Workers' Welfare Fund	-	(10,909)
	<u>(74,575)</u>	<u>(24,035)</u>
(Increase) / decrease in assets		
Investments - net	(46,669)	6,399,705
Advances and deposits	(100)	2,732
Receivable from Management Company	-	1,844
	<u>(46,769)</u>	<u>6,404,281</u>
Decrease in liabilities		
Payable to Management Company	11,533	788
Payable to Digital Custodian Company - Trustee	895	93
Payable to the Securities and Exchange Commission of Pakistan	(481)	346
Dividend payable	9,170	(1,206)
Accrued expenses and other liabilities	(41,094)	(4,156)
	<u>(19,977)</u>	<u>(4,135)</u>
Mark-up received	1,508,027	546,830
Net cash generated in operating activities	<u>1,366,706</u>	<u>6,922,941</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	36,707,278	8,580,798
Amount paid on redemption of units	(19,869,661)	(10,228,700)
Distribution during the period	(1,665,516)	(579,431)
Net cash generated / (used) from financing activities	<u>15,172,101</u>	<u>(2,227,333)</u>
Net increase in cash and cash equivalents during the period	<u>16,538,807</u>	<u>4,695,608</u>
Cash and cash equivalents at the beginning of the period	10,688,556	7,092,512
Cash and cash equivalents at the end of the period	<u>4.2 27,227,363</u>	<u>11,788,120</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

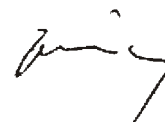
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Money Market Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. MCB Arif Habib Savings and Investments Limited is the Management Company (Wakeel) of the Fund, and Digital Custodian Company (formerly MCB Financial Services Limited) is the Trustee. The Trust Deed was executed on July 22, 2015 (modified and restated on July 17, 2020 for changing the name and category of the fund) and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 16, 2015. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

Being an Islamic Fund, all the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The Management Company (Wakeel) has appointed a Shariah Supervisory Council whose advice is followed to ensure that activities of the Fund are in compliance with Shariah.

The Fund was an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 06, 2009 issued by the SECP. Securities and Exchange Commission of Pakistan (SECP) vide its letter # SCD / AMCW / MCB AHSIL / MCBPFPF /03/2020 dated July 14, 2020, has approved the conversion of MCB Pakistan Frequent Payout Fund renamed as Alhamra Islamic Money Market Fund from Asset Allocation Scheme to Islamic Money Market Scheme. The Fund was converted from forward pricing fund to backward pricing fund and NAV of August 20, 2020 is applicable NAV of August 21, 2020. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Management Company (Wakeel) of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

The title to the assets of the Fund is held in the name of Digital Custodian Company (formerly MCB Financial Services Limited) as the Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 06, 2022 to the Management Company and stability rating of 'AA+(f)' dated September 02, 2022 to the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the 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 and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.2** The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2022.
- 2.3** In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2022.
- 2.4** These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1** The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2022.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting 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.

3.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

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

Standards, interpretations and amendments	Effective date
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

3.4 The Fund's financial risk management objectives 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
4. BANK BALANCES	Note	----- (Rupees in '000) -----	
Current accounts		3,900,046	36
Savings accounts	4.1	17,727,317	10,688,520
		<u>21,627,363</u>	<u>10,688,556</u>

4.1 These carry mark-up rates ranging from 12.52% to 16.25% (June 30, 2022: 6.6% to 15.51%) per annum. These balances include Rs.22.106 million (June 30, 2022: Rs.12.825 million) maintained with MCB Bank Limited (a related party). The savings accounts are held with Islamic Banks / Islamic window of the conventional bank.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
4.2 Cash and cash equivalents	Note	----- (Rupees in '000) -----	
Balances with banks	4	21,627,363	10,688,556
Certificates of Musharka	5.1.2	2,500,000	-
Term deposit receipts having original maturity of three months or less	5.1.3	3,100,000	-
		<u>27,227,363</u>	<u>10,688,556</u>

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

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----	-----
	(Rupees in '000)	-----
5 INVESTMENTS		
At fair value through profit or loss		
Sukuk certificates - unlisted	1,125,000	1,078,000
Musharika Certificate	2,500,000	-
Term Deposit Receipts	3,100,000	-
Total	6,725,000	1,078,000

Note

5.1.1
5.1.2
5.1.3

5.1 Financial assets 'at fair value through profit or loss'

5.1.1 Sukuk Certificates - Unlisted

Name of investee company	Note	As at July 01, 2022	Purchased during the period	Disposed / matured during the period	As at December 31, 2022	As at December 31, 2022			Investment as a percentage of total issue size
						Carrying value	Market value	Unrealised appreciation / (diminution)	
----- (Rupees in '000) ----- (%) -----									
Hub Power Company Limited - Sukuk		518	518	1,036	-	-	-	0.00%	-
K Electric - Sukuk		560	1,120	1,680	-	-	-	0.00%	-
K Electric - Sukuk		-	3,000	3,000	-	-	-	0.00%	-
K Electric - Sukuk		-	1,500	1,500	-	-	-	0.00%	-
Lucky Electric - Sukuk		-	2,000	2,000	-	-	-	0.00%	-
Lucky Electric - Sukuk		-	1,500	1,500	-	-	-	0.00%	-
Nishat Mills - Sukuk	5.1.1.1	-	1,125	-	1,125	1,125,000	-	3.92%	15%
Total as at December 31, 2022 (Un-audited)						1,125,000	1,125,000		
Total as at June 30, 2022 (Audited)						1,078,000	1,078,000		

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

5.1.1.1 The terms and conditions of sukuk certificates outstanding as at December 31, 2022 are as follows:

Name of investee company	Rating	Tenure	Markup payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Nishat Mills Limited	AA	6 Months	On maturity	Unsecured	1-Nov-22	1-May-23	3 months KIBOR (15.76%) + 0.9% {16.66%}

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

5.1.2 Musharika Certificate

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value			
				As at July 01, 2022	Purchased during the period	Matured / Sold during the period	As at December 31, 2022
				----- (Rupees in '000') -----			
Meezan Bank Limited	15.40%	December 16, 2022	AAA	-	1,100,000	1,100,000	-
Meezan Bank Limited	15.45%	January 13, 2023	AAA	-	1,500,000	-	1,500,000
First Habib Modaraba	15.30%	January 25, 2023	AA+	-	500,000	-	500,000
First Habib Modaraba	15.40%	January 31, 2023	AA+	-	500,000	-	500,000
Total as at December 31, 2022 (Un-audited)				-	3,600,000	1,100,000	2,500,000
Total as at June 30, 2022 (Audited)				-	-	-	-

5.1.3 Term deposit receipts

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value			
				As at July 01, 2022	Purchased during the period	Matured / Sold during the period	As at December 31, 2022
				----- (Rupees in '000') -----			
Askari Bank Limited	14.25%	August 26, 2022	AA+	-	600,000	600,000	-
Askari Bank Limited	15.15%	December 1, 2022	AA+	-	2,325,000	2,325,000	-
Askari Bank Limited	16.00%	January 3, 2023	AA+	-	2,500,000	-	2,500,000
Bank Alfalah Limited	16.00%	March 7, 2023	AA+	-	1,000,000	400,000	600,000
Meezan Bank Limited	14.15%	August 19, 2022	AAA	-	1,775,000	1,775,000	-
Meezan Bank Limited	14.15%	August 25, 2022	AAA	-	700,000	700,000	-
Meezan Bank Limited	14.15%	August 26, 2022	AAA	-	1,650,000	1,650,000	-
Meezan Bank Limited	14.15%	September 1, 2022	AAA	-	1,500,000	1,500,000	-
Total as at December 31, 2022 (Un-audited)				-	12,050,000	8,950,000	3,100,000
Total as at June 30, 2022 (Audited)				2,600,000	15,175,000	17,775,000	-

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

6. 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.

7. 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.

8. PAYABLE TO DIGITAL CUSTODIAN COMPANY - TRUSTEE

The Trustee, Digital Custodian Company Limited (formerly MCB Financial Services Limited), a related party is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is 0.065% of average daily Net Assets.

9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (June 30, 2022: 0.02%) of the average daily net assets of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
Provision for Federal Excise Duty:	10.1		
- Management fee		839	839
- Sales load		3,625	3,625
Brokerage payable		29	18
Auditors' remuneration payable		334	376
Donation payable		1,294	760
Payable to legal advisors		440	434
Payable against redemption / conversion of units		-	43,021
Others		1,557	139
		8,118	49,212

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

10.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty (FED), as reported in note 12.2 to the annual financial statements of the Fund for the year ended June 30, 2022. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2022 would have been higher by Re.0.02 (2022: Re.0.04) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 and June 30, 2022.

12. TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to December 31, 2022 is 0.64% as on December 31, 2022 (December 31, 2021: 0.30%) and this includes 0.08% (December 31, 2021: 0.04%) representing Government Levy.

13. 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 year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

14. EARNINGS PER UNIT

Earnings per unit based on cumulative weighted average units for the year has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

15. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Trust Deed of the Fund. Allocation of cost by the Management Company is in accordance with the provisions of the NBFC regulations. Other transactions with connected persons / related parties are carried at contracted rates.

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

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

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

	For the half year ended December 31, 2022									
	As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at December 31, 2022	As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at December 31, 2022
	(Units)				(Rupees in '000)					
MCB-Arif Habib Savings and Investments Limited - Management Company	-	755,671	-	755,671	-	-	75,197	-	75,197	-
Associated companies										
Adamjee Insurance Company Limited Window Takaful Operations	-	1,484,733	-	-	1,484,733	-	147,746	-	-	147,746
Adamjee Life Assurance Company Limited	110	6	-	-	116	11	1	-	-	12
Adamjee Life Assurance Company Limited - Tameen	-	302,209	-	302,209	-	-	30,073	-	30,073	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	122,681	46,705	-	-	169,386	12,208	4,648	-	-	16,856
Key Management Personnel	27,242	766,755	-	583,045	210,952	2,711	76,300	-	58,019	20,992
Mandate under discretionary portfolio services	55,482	1,833,991	-	1,781,840	107,633	5,521	182,501	-	177,311	10,711
Unitholders holding - 10% or more	79,666,475	45,833,576	-	25,123,103	100,376,948	7,927,611	4,560,899	-	2,500,000	9,988,510

	For the half year ended December 31, 2021									
	As at July 01, 2021	Issued for cash	Bonus	Redeemed	As at December 31, 2021	As at July 01, 2021	Issued for cash	Bonus	Redeemed	As at December 31, 2021
	(Units)				(Rupees in '000)					
Associated company										
Key management personnel	14,710	138,692	-	153,397	6	1,464	13,801	-	15,265	1
Mandate under discretionary portfolio services	-	137	-	137	-	-	14	-	14	-
Unitholders holding - 10% or more	92,720,941	55,946,033	-	37,684,655	110,982,320	6,150,279	1,528,867	-	5,024,621	11,043,851

15.2 Details of transactions with related parties / connected persons during the period	(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	51,604	11,318
Marketing and selling expense	6,530	3,554
Allocated expenses	2,484	142
Shahriah fee	360	338
Digital Custodian Company - Trustee		
Remuneration of Digital Custodian Company - Trustee	7,495	4,769
Sindh sales tax on remuneration of the Trustee	974	620
Settlement Charges	241	311
MCB Bank Limited - Parent of the Management Company		
Bank charges	6	14
Nishat Mills Limited - Group Company of Parent Company		
Purchase 1,125 Sukuk Certificates	1,125,000	-
Mark-up on Sukuk investment	31,323	-

15.3 Details of balances with related parties / connected persons as at period end	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	10,263	2,004
Sindh sales tax payable on management remuneration	1,334	261
Payable against allocated expenses	-	34
Payable against selling and marketing expenses	3,099	890
Sales load payable	26	-
Shahriah fee payable	60	60
Digital Custodian Company - Trustee		
Remuneration of Digital Custodian Company - Trustee	1,452	660
Sindh sales tax payable on Trustee remuneration	189	86
Settlement Charges Payable	2	5
MCB Bank Limited - Parent of the Management Company		
Bank balances	22,106	12,825
Nishat Mills Limited - Group Company of Parent Company		
1,125 Sukuk Certificates	1,125,000	-
Mark-up receivable on Sukuk investment	31,323	-

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

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<u>December 31, 2022 (Un-audited)</u>				
Sukuk certificates - unlisted	-	1,125,000	-	1,125,000
Musharika Certificate	-	2,500,000	-	2,500,000
Term Deposit Receipts	-	3,100,000	-	3,100,000
	-	6,725,000	-	6,725,000
<u>June 30, 2022 (Audited)</u>				
Sukuk - unlisted	-	1,078,000	-	1,078,000
	-	1,078,000	-	1,078,000

16.1 The Fund has not disclosed the fair values for other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair value.

During the year 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.

17. INTERIM DISTRIBUTIONS

The Fund makes distribution on daily basis as per clause 5.1 of the Offering Document. During the period, the Management Company on behalf of the Fund, have distributed net profit amounting to Rs.1,665.516 million as dividend and that dividend has been re-invested after deducting applicable taxes.

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

18. GENERAL

18.1 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

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

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 03, 2023 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

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

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