

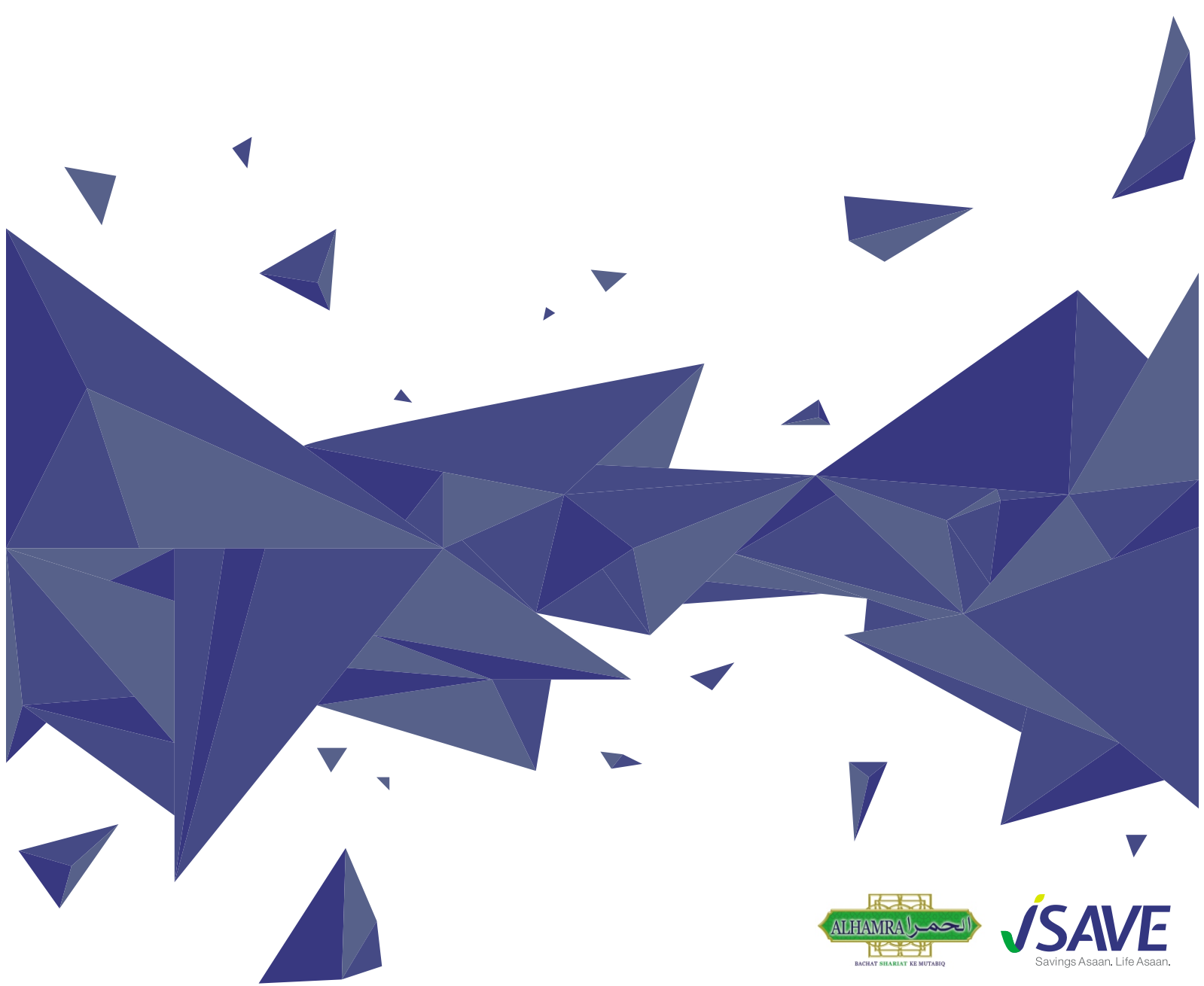


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2022
(UNAUDITED)

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



ALHAMRA ISLAMIC STOCK FUND

TABLE OF CONTENTS

1	Fund's Information	205
2	Report of the Directors of the Management Company	206
3	Trustee Report to the Unit Holders	213
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	214
5	Condensed Interim Statement of Assets And Liabilities	215
6	Condensed Interim Income Statement (Un-audited)	216
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	217
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	218
9	Condensed Interim Cash Flow Statement (Un-audited)	219
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	220

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 Habib Bank Limited National Bank of Pakistan Standard Chartered Bank Limited Silk Bank Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Soneri Bank Limited Al-Baraka Bank Pakistan Limited The Bank of Khyber	
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 Stock 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.

EQUITY MARKET REVIEW

The KSE-100 index closed in negative territory, declining by 1,120 points (-2.7%) in 1HFY23 to close at 40,420 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation (CPI clocking in at a 47-year high), depleting SBP Reserves (lowest levels since April 2014), and a surprise interest rate hike by 100bps, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review under the IMF Program amid political turbulence in the country further dented investors' sentiments.

Foreigners remained net sellers with an outflow of USD 1 million, while on the local front, Mutual Funds offloaded about USD 64 million, which was largely absorbed by Banks and individuals with net buying of USD 50 million and USD 48 million respectively. During the first half, average trading volumes saw a

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

decline to 219 million shares compared to about 240 million shares during the preceding half. Similarly, the average trading value during the half saw a drop of 23% over the last half to near USD 30 million.

Commercial Banks, Auto Assemblers, Pharmaceuticals and Chemicals sector were the major contributors to the index decline posting -542/-429/-322/-160 points, respectively. Banking sector struggled to foreign selling pressure despite positing healthy earnings growth and strong balance sheets. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by SBP. On the flip side, Technology sector added 964 points to the index.

FUND PERFORMANCE

During the period, ALHISF delivered a return of -3.74% as compared to benchmark return of -0.71%. Overall equity exposure of the fund stood at 89.10% at the end of the period. The fund changed its investment strategy several times during the quarter to cope with various sector and company level fundamental developments. During the period, the fund had exposures majorly in Oil and Gas Exploration Companies, Cement, Fertilizer, Technology and Commercial Banks.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 2,673 million as compared to Rs. 2,430 million as at June 30, 2022 registering an increase of 10%.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 8.76 as compared to opening NAV of Rs. 9.10 per unit as at June 30, 2022 registering a decrease of Rs. 0.34 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 -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.

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

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.

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

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 فنڈ 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 فکسڈ 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 الانظامیہ 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 المیاد 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 المیاد 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۔

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 چیئر مین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
03 فروری 2023ء

ڈائریکٹرز رپورٹ

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 آمدنی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ دقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سنکڈ جاری کریں۔ ایف ڈی آئی اور آر ڈی اے سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رزکی 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 انٹریٹنگ 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 منسست 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 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 پرفورمٹ ہو رہی ہیں۔ تاہم ہمیں نہیں لگتا کہ خارجی جہات کے مسائل سے نمٹنے 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 اٹکھ فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ، جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

ڈائریکٹر رپورٹ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس منفی علاقے میں بند ہوا؛ دورانِ ششماہی 1,120 پوائنٹس (2.7 فیصد) کم ہو کر 40240 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک کی طرف سے تعاون کے حوالے سے جوابدہائی جوش و خروش تھا وہ جلد ہی تباہ کن سیلابوں کی نذر ہو گیا جس کے نتیجے میں پہلے سے بد حال ملکی معیشت مزید ابتر ہو گئی۔ زیرِ جائزہ مدت میں مہنگائی میں اضافہ ہوا (سی پی آئی گزشتہ 47 برسوں کی بلند ترین سطح پر پہنچ گیا) جس کے باعث ایس بی پی کے ذخائر کم ہو گئے (اور اپریل 2014ء سے اب تک کی پست ترین سطح پر پہنچ گئے)، اور شرح سود میں 100bps کے غیر متوقع اضافے کے باعث سرمایہ کار تشویش کا شکار رہے۔ مزید برآں، آئی ایم ایف پروگرام کے تحت نویں (9th) جائزے میں مسلسل تاخیر اور ملک میں سیاسی افراتفری نے سرمایہ کاروں کو مزید پریشانی سے دوچار کر دیا۔

غیر ملکی افراد 1 ملین ڈالر اخراجی بہاؤ کے ساتھ خالص خریدار رہے، جبکہ مقامی جہت میں میوچل فنڈز نے 64 ملین ڈالر کی فروخت کی جس کے بڑے خریدار بینک (50 ملین ڈالر) اور افراد (48 ملین ڈالر) تھے۔ دورانِ نصف اول اوسط تجارتی حجم 219 ملین حصص رہا، جبکہ سابقہ نصف میں تقریباً 240 ملین حصص رہا تھا۔ اسی طرح، دورانِ ششماہی اوسط تجارتی قدر گزشتہ ششماہی کے مقابلے میں 23 فیصد کم ہو کر تقریباً 30 ملین ڈالر ہو گئی۔ انڈیکس میں کمی میں اہم ترین کردار کمرشل بینکوں، گاڑیوں کی اسمبلنگ، دواسازی اور کیمیکل کے شعبوں نے ادا کیا جنہوں نے بالترتیب -429، -542، -332 اور -160 پوائنٹس کم کیے۔ بیکاری کے شعبے کی ناقص کارکردگی کی وجہ گھانا کا ڈیفالٹ ہے جہاں مقامی قرض کو دوبارہ شیڈیول کیا گیا۔ گاڑیوں کی اسمبلنگ کی کمپنیاں فروخت کے ناقص حجم کے باعث مشکل کا شکار ہوئیں جس کی وجہ ایس بی پی کی عائد کردہ پابندیاں ہیں۔ دوسری جانب ٹیکنالوجی کے شعبے نے انڈیکس میں 964 پوائنٹس کا اضافہ کیا۔

فنڈ کی کارکردگی

مدت کے دوران، ALHISF نے (3.74) فیصد کا منافع پوسٹ کیا، جبکہ مقررہ معیار منافع (0.71) فیصد تھا۔ مدت کے اختتام پر فنڈ کی مجموعی ایکویٹی ایکسپوزر 89.10 فیصد رہی۔ فنڈ نے مختلف سیکٹرز اور کمپنیوں کی سطح کی بنیادی پیش رفت سے نمٹنے کے لیے سہ ماہی کے دوران کئی بار اپنی سرمایہ کاری کی حکمت عملی تبدیل کی۔ اس مدت کے دوران، فنڈ نے تیل اور گیس پیدا کرنے والی کمپنیوں، سیمنٹ، کھاد، ٹیکنالوجی اور کمرشل بینکوں میں بڑے پیمانے پر سرمایہ کاری کی تھی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 2,673 ملین روپے تھے، جو 30 جون 2022ء کو 2,430 ملین روپے کے مقابلے میں 10 فیصد کا اضافہ ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی پونٹ 8.76 روپے تھی، جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 9.10 روپے فی پونٹ کے مقابلے میں 0.34 روپے فی پونٹ کی کمی 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 اخراجی بہاؤ کی حوصلہ شکنی کرے

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد اسلامک اسٹاک 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 درآمدی 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 دوطرفہ اور کثیر جہتی شرائط 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 صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط دورانِ 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 دورانِ ششماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دورانِ 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 219، 168 اور 78 بی پی ایس کا اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

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
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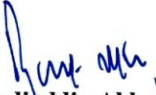
TRUSTEE REPORT TO THE UNIT HOLDERS

ALHAMRA ISLAMIC STOCK 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 Stock 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



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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Tel: +9221 3565 0007-11
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To the Unit holders of Alhamra Islamic Stock Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Alhamra Islamic Stock 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: RR202210076Vo2riFG9W

**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		
Balances with banks	294,978	141,898
Investments	2,550,329	2,306,876
Receivable against sale of investments	13,764	42,371
Mark-up receivable	411	2,052
Advances, deposits and other receivables	3,798	4,121
Total assets	2,863,280	2,497,318
LIABILITIES		
Payable to Management Company	13,833	13,788
Payable to Trustee	344	330
Payable to the Securities and Exchange Commission of Pakistan	255	638
Payable against purchase of investments	107,292	27,702
Accrued expenses and other liabilities	68,146	24,517
Total liabilities	189,870	66,975
NET ASSETS	2,673,410	2,430,343
Unit holders' fund (as per statement attached)	2,673,410	2,430,343
Contingencies and Commitments	8	
	---- (Number of units) ----	
NUMBER OF UNITS IN ISSUE	305,121,683	267,102,604
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	8.76	9.10

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

For MCB-Arif Habib Savings and Investments Limited
(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 balances with banks	8,824	4,924	3,817	2,629
Dividend income	65,757	85,946	42,004	49,182
Gain / (loss) on sale of investments - net	14,705	(105,656)	(9,790)	(88,938)
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	5.1 (126,932)	(173,626)	(95,423)	101,623
Total (loss) / income	(37,646)	(188,412)	(59,392)	64,496
EXPENSES				
Remuneration of the Management Company	25,392	35,353	13,195	16,209
Sindh Sales Tax on remuneration of the Management Company	3,301	4,596	1,715	2,107
Remuneration of the Trustee	1,773	2,272	911	1,063
Sindh sales tax on remuneration of the Trustee	231	295	119	138
Annual fee of the Securities and Exchange Commission of Pakistan	6 255	354	133	163
Allocated expenses	9 1,270	1,768	660	811
Selling and marketing expenses	10 16,505	22,978	8,577	10,535
Auditors' remuneration	418	223	306	109
Securities transaction cost	4,940	8,294	2,706	4,011
Settlement and bank charges	568	756	292	381
Legal and professional charges	81	472	13	36
Shariah advisory fee	363	363	181	181
Printing and related charges	14	13	(861)	(12)
Donation / charity	2,395	2,623	2,364	1,326
Fees and subscriptions	14	14	7	6
Reversal for Sindh Workers' Welfare Fund	-	(27,763)	-	-
Total expenses	57,520	52,611	30,318	37,064
Net (loss) / income for the period before taxation	(95,166)	(241,023)	(89,710)	27,433
Taxation	11 -	-	-	-
Net (loss) / income for the period	(95,166)	(241,023)	(89,710)	27,433
Earnings per unit	12			
Allocation of net income for the period after taxation				
Net income for the period	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution:	-	-	-	-
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-

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

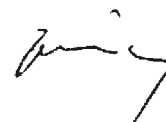
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



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		Quarter ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net (loss) / income for the period	(95,166)	(241,023)	(89,710)	27,433
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(95,166)	(241,023)	(89,710)	27,433

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

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 (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed income / (loss)	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	3,063,112	(632,769)	2,430,343	3,385,741	24,439	3,410,180
Issuance of 142,722,730 (2021: 197,540,675) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.9.10	1,298,777	-	1,298,777	2,230,240	-	2,230,240
- Element of loss	(3,855)	-	(3,855)	(49,780)	-	(49,780)
	1,294,922	-	1,294,922	2,180,460	-	2,180,460
Redemption of 104,703,651 (2021: 201,815,037) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.9.10	952,803	-	952,803	2,278,498	-	2,278,498
- Element of loss / (income)	3,886	-	3,886	(65,728)	-	(65,728)
	956,689	-	956,689	2,212,770	-	2,212,770
Total comprehensive loss for the period	-	(95,166)	(95,166)	-	(241,023)	(241,023)
Net loss for the period less distribution	-	(95,166)	(95,166)	-	(241,023)	(241,023)
Net assets as at the end of the period	3,401,345	(727,935)	2,673,410	3,353,431	(216,584)	3,136,847
Undistributed (loss) / income brought forward comprising of:						
- Realised		(211,325)			(216,927)	
- Unrealised		(421,444)			241,366	
		(632,769)			24,439	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the period after taxation		(95,166)			(241,023)	
Undistributed loss carried forward		(727,935)			(216,584)	
Undistributed (loss) / income carried forward comprising of:						
- Realised		(601,003)			(42,958)	
- Unrealised		(126,932)			(173,626)	
		(727,935)			(216,584)	
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the period		9.10			11.29	
Net assets value per unit as at end of the period		8.76			10.54	

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


For MCB-Arif Habib Savings and Investments Limited
(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,	
	2022	2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(95,166)	(241,023)
Adjustments for non cash and other items:		
Markup on balances with banks	(8,824)	(4,924)
Dividend income	(65,757)	(85,946)
Reversal for Sindh Workers' Welfare Fund	-	(27,763)
(Gain) / loss on sale of investments - net	(14,705)	105,656
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	126,932	173,626
	<u>(57,520)</u>	<u>(80,374)</u>
(Increase) / decrease in assets		
Investments - net	(355,680)	64,338
Receivable against sale of investments	28,607	29,842
Advances, deposits and other receivables	323	2,376
	<u>(326,750)</u>	<u>96,556</u>
Increase / (decrease) in liabilities		
Payable to Management Company	45	(1,202)
Payable to Trustee	14	(27)
Payable to the Securities and Exchange Commission of Pakistan	(383)	(337)
Payable against purchase of investments	79,590	(12,894)
Accrued expenses and other liabilities	43,629	(5,394)
	<u>122,895</u>	<u>(19,854)</u>
Markup received on balances with bank	10,465	4,369
Dividend received	65,757	86,357
Net cash (used in) / generated from operating activities	<u>(185,153)</u>	<u>87,054</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	1,294,922	2,180,460
Amount paid on redemption of units	(956,689)	(2,212,770)
Net cash generated from / (used in) financing activities	<u>338,233</u>	<u>(32,310)</u>
Net increase in cash and cash equivalents during the period	<u>153,080</u>	<u>54,744</u>
Cash and cash equivalents at the beginning of the period	141,898	126,051
Cash and cash equivalents at the end of the period	<u>294,978</u>	<u>180,795</u>

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

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

- 1.1 Alhamra Islamic Stock Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October May 26, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Formation of the Fund as a closed-end fund was authorized by SECP on May 13, 2004, however with effect from November 11, 2010 the Fund was converted into open-end fund. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is categorised as "Shariah Compliant Islamic Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturity. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2022 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards 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;
 - The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from IAS 34 Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 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.

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

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:

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.

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

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

3.3 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
Note	----- (Rupees in '000) -----	
4. BALANCES WITH BANKS		
In current accounts	4.1 18,559	17,410
In savings accounts	4.2 276,419	124,488
	<u>294,978</u>	<u>141,898</u>

4.1 These include a balance of Rs.5.320 (June 30, 2022: Rs.5.022) million maintained with MCB Bank Limited, a related party.

4.2 These carry markup at the rates ranging from 11.05% to 15.50% (June 30, 2022: 6.60% to 15.51%) per annum and include Rs. 275.156 (June 30, 2022: Rs.0.010) million maintained with MCB Islamic Bank Limited. The savings accounts are held with Islamic Banks / Islamic window of the conventional bank.

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note	----- (Rupees in '000) -----	
5. INVESTMENTS		
At fair value through profit or loss		
Listed equity securities	5.1 <u>2,550,329</u>	<u>2,306,876</u>

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

5.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	No. of shares				Balance as at December 31, 2022			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2022	Carrying Value	Unrealised (loss)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Automobile Assembler									
Pak Suzuki Motors Company Limited	500	-	-	500	-	-	-	0.00%	0.00%
Automobile parts and accessories									
Agriauto Industries Limited *	47,500	-	11,825	59,325	-	-	-	0.00%	0.00%
Panther Tyres Limited	250,000	-	-	250,000	-	-	-	0.00%	0.00%
Thal Limited *	81,300	18,700	-	-	100,000	25,629	(6,303)	0.72%	0.12%
					25,629	19,326	(6,303)	0.72%	0.12%
Cable and electrical goods									
Pak Elektron Limited	1,475,300	1,427,000	-	873,500	2,028,800	31,561	(5,288)	0.98%	0.24%
						31,561	(5,288)	0.98%	0.24%
Cement									
Cherat Cement Company Limited	375,068	530,000	-	275,068	630,000	65,285	(1,088)	2.40%	0.32%
D.G. Khan Cement Company Limited	500,000	646,000	-	1,146,000	-	-	-	0.00%	0.00%
Fauji Cement Company Limited	9,405,500	5,036,000	1,250,000	2,593,000	13,098,500	166,993	(9,549)	5.89%	0.53%
Gharibwal Cement Limited	612,000	20,000	-	12,000	620,000	12,081	(2,167)	0.37%	0.15%
Kohat Cement Company Limited	360,050	86,450	-	89,500	357,000	47,697	5,032	1.97%	0.18%
Lucky Cement Limited	342,500	110,000	-	152,500	300,000	139,606	(5,632)	5.01%	0.09%
Maple Leaf Cement Factory Limited	4,150,000	2,004,122	-	2,004,122	4,150,000	108,990	(15,324)	3.50%	0.39%
						540,652	(28,728)	19.14%	1.66%
Chemical									
Descon Oxychem Limited	-	25,000	-	25,000	-	-	-	0.00%	0.00%
Commercial banks									
Bankislami Pakistan Limited	5,419,500	3,085,500	-	2,540,000	5,965,000	72,731	6,961	2.98%	0.54%
Faysal Bank Limited	-	4,978,000	-	1,978,000	3,000,000	80,713	(3,223)	2.90%	0.20%
Meezan Bank Limited	2,121,451	1,150,983	208,000	780,434	2,700,000	283,300	(14,542)	10.05%	0.15%
						436,744	(10,804)	15.93%	0.89%
Engineering									
Agha Steel Ind. Ltd	250	-	-	250	-	-	-	0.00%	0.00%
Aisha Steel Mills Limited	1,599,990	1,255,639	-	99,990	2,755,639	30,167	(7,543)	0.85%	0.30%
Amreli Steels Limited	560,000	-	-	560,000	-	-	-	0.00%	0.00%
International Industries Limited	125,000	-	-	125,000	-	-	-	0.00%	0.00%
Mughal Iron & Steel Industries Limited	645,000	393,009	-	338,009	700,000	41,526	(7,709)	1.26%	0.21%
						71,693	(15,252)	2.11%	0.51%

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

Name of the investee company	No. of shares				Balance as at December 31, 2022			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2022	Carrying Value	Market value		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Fertilizer									
Engro Corporation Limited	470,000	534,862	-	54,862	950,000	242,993	248,910	5,917	9.31%
Engro Fertilizer Limited	950,000	370,825	-	420,825	900,000	77,100	69,201	(7,899)	2.59%
Fauji Fertilizer Bin Qasim Limited	830,000	393,000	-	1,223,000	-	-	-	-	0.00%
						320,093	318,111	(1,982)	11.90%
Food and personal care products									
AT-Tahur Limited	600,920	272,500	75,092	50,000	898,512	16,056	15,356	(700)	0.57%
The Organic Meat Company Limited	1,576,000	756,500	121,875	584,000	1,870,375	38,578	38,642	64	1.45%
						54,634	53,998	(636)	2.02%
Glass and ceramics									
Shabbir Tiles & Ceramics Limited *	737,500	427,000	-	-	1,164,500	16,179	10,015	(6,164)	0.37%
Tariq Glass Industries	300,000	-	-	300,000	-	-	-	-	0.00%
						16,179	10,015	(6,164)	0.37%
Miscellaneous									
Shifa International Hospitals Limited	140,030	65,100	-	-	205,130	33,990	21,969	(12,021)	0.82%
						33,990	21,969	(12,021)	0.82%
Oil and gas exploration companies									
Mari Petroleum Company Limited	129,000	27,000	-	28,000	128,000	219,951	198,011	(21,940)	7.41%
Oil and Gas Development Company Limited	900,000	1,150,000	-	450,000	1,600,000	125,881	127,456	1,575	4.77%
Pakistan Oilfields Limited	60,000	111,000	-	5,000	166,000	66,782	65,213	(1,569)	2.44%
Pakistan Petroleum Limited	1,400,000	1,518,000	-	743,000	2,175,000	140,091	148,204	8,113	5.54%
						552,705	538,884	(13,821)	20.16%
Oil and gas marketing companies									
Attock Petroleum Limited	32,000	40,300	-	72,300	-	-	-	-	0.00%
Sui Northern Gas Pipelines Limited	400,000	-	-	400,000	-	-	-	-	0.00%
						-	-	-	0.00%
Paper and Board									
Century Paper & Board Mills Limited	35,000	-	-	35,000	-	-	-	-	0.00%
Package Limited	63,300	2,000	-	2,700	62,600	24,976	23,172	(1,804)	0.87%
						24,976	23,172	(1,804)	0.87%
Pharmaceuticals									
AGP Limited	257,410	51,069	-	30,556	277,923	24,012	18,062	(5,950)	0.68%
Citi Pharma limited	1,100,000	703,266	-	59,000	1,744,266	54,305	42,124	(12,181)	1.58%
Ferozsons Laboratories Limited	-	121,000	14,000	-	135,000	28,658	18,569	(10,089)	0.69%
Glaxosmithkline Consumer Healthcare Pakistan Limited	177,000	10,700	-	18,700	169,000	40,131	27,699	(12,432)	1.04%
Highnoon Laboratories Limited	15,825	-	-	15,825	-	-	-	-	0.00%
						147,106	106,454	(40,652)	3.98%

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

Name of the investee company	No. of shares				Balance as at December 31, 2022			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2022	Carrying Value	Market value		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Power generation and distribution									
Hub Power Company Limited	1,275,000	862,500	-	1,137,500	1,000,000	68,665	63,080	(5,585)	2.36%
						68,665	63,080	(5,585)	2.36%
Refinery									
Attock Refinery Limited	275,000	125,000	-	400,000	-	-	-	-	0.00%
									0.00%
Technology and communication									
Air Link Communication Limited	593,000	-	-	593,000	-	-	-	-	0.00%
Avanceon Limited	-	325,000	-	25,000	300,000	24,293	19,809	(4,484)	0.74%
Octopus Digital Limited	-	450,000	-	-	450,000	31,155	25,493	(5,663)	0.95%
Systems Limited	185,000	257,767	-	62,767	380,000	143,217	183,893	40,676	6.88%
						198,665	229,195	30,530	8.57%
Textile composite									
Interloop Limited	400,000	1,064,730	37,800	117,652	1,384,878	82,232	78,453	(3,779)	2.93%
Kohinoor Textile Mills Limited	852,800	137,000	-	139,500	850,300	42,480	40,177	(2,303)	1.50%
Nishat (Chumian) Limited	1,650,000	1,350,000	-	2,500,000	500,000	10,184	10,420	236	0.39%
Nishat Mills Limited	835,000	583,020	-	1,118,020	300,000	19,073	16,497	(2,576)	0.62%
						153,969	145,547	(8,422)	5.44%
Total as at December 31, 2022 (Un-audited)						2,677,261	2,550,329	(126,932)	
Total as at June 30, 2022 (Audited)						2,728,320	2,306,876	(421,444)	
* These have a face value of Rs.5 per share.									
5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:									
The Hub Power Company Limited						500,000	650,000		31,540
Oil & Gas Development Company Limited						700,000	700,000		55,762
						1,200,000	1,350,000		87,302

(Un-audited) (Audited) (Un-audited) (Audited)
December 31, June 30, December 31, June 30,
2022 2022 2022 2022
---- (Number of shares) --- ---- (Rupees in '000) ----

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

5.1.2 There is no change in the status of matter related to bonus shares as reported in notes to the annual financial statements of the Fund for the year ended June 30, 2022. As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.02 million (June 30, 2022: Rs.0.03 million).

6. 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.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty payable on management remuneration	7.1	5,689	5,689
Federal Excise Duty payable on sales load		125	125
Unclaimed dividends		12,236	12,236
Brokerage payable		2,018	992
Auditors' remuneration		326	266
Withholding tax payable		7	47
Printing and related charges payable		31	40
Payable to legal advisor		40	35
Charity payable		2,395	4,808
Payable against redemption of units		45,279	-
Others		-	279
		68,146	24,517

7.1 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, 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.0.02) per unit.

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

8. CONTINGENCIES AND COMMITMENTS

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

9. 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.

10. 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.

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

13. TRANSACTIONS WITH 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, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

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

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

As at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2022	As at July 01, 2022	Issued for cash / conversion in / transferred	Redeemed / conversion out / transfer out	As at December 31, 2022
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13.1 Unit Holder's Fund

MCB-Arif Habib Savings and Investments Limited - Management Company

	(Number of units)	(Rupees in '000)	(Number of units)	(Rupees in '000)	(Number of units)	(Rupees in '000)	(Number of units)	(Rupees in '000)
	1,911,887	-	1,911,887	-	17,398	-	18,086	-
Group / associated companies / undertakings								
Adamjee Insurance Company Limited - Amanat Fund	17,205,899	3,404,255	11,432,550	9,177,604	156,574	32,000	97,291	80,396
Adamjee Life Assurance Company Limited - IMF	72,848,990	85,506,718	-	158,355,708	662,927	766,545	-	1,387,196
Adamjee Insurance Company Limited - MAZAAF	41,547,236	-	13,935,340	27,611,896	378,080	-	125,000	241,880
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	462,336	-	-	462,336	4,207	-	-	4,050
Hyundai Nishat Motor Private Limited Employees Provident Fund	167,542	1,206,484	-	1,374,026	1,525	10,900	-	12,036
Nishat Mills Limited	1,121,411	-	-	1,121,411	10,205	-	-	9,824
Asghari Beg Memorial Trust	368,021	-	-	368,021	3,349	-	-	3,224
MCBFSL Trustee Alhamra Smart Portfolio Fund	3,869,444	147,975	976,093	3,041,326	35,212	1,303	9,042	26,642
Directors And Key Management Personnel	1,844,733	6,344,141	7,447,045	741,829	16,787	59,184	69,761	6,498
Mandate under discretionary portfolio services	5,042,907	17,330,105	8,189,386	14,183,626	45,891	157,074	76,299	124,249

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

As at July 01, 2021	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2021	As at July 01, 2021	Issued for cash / conversion in / transferred	Redeemed / conversion out / transfer out	As at December 31, 2021
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MCB-Arif Habib Savings and Investments Limited - Management Company

	(Number of units)	(Rupees in '000)	(Number of units)	(Rupees in '000)	(Number of units)	(Rupees in '000)	(Number of units)	(Rupees in '000)
	2,164,502	-	-	2,164,502	24,437	-	-	22,814
Group / associated companies / undertakings								
Adamjee Insurance Company Limited - Amanat Fund	17,293,090	2,835,183	2,922,374	17,205,899	195,239	30,500	32,000	181,350
Adamjee Life Assurance Company Limited - IMF	99,292,172	-	26,443,182	72,848,990	1,121,009	-	288,000	767,828
Adamjee Life Assurance Company Limited - Non-Listed Investment Linked Fund	10,803,462	-	10,803,462	-	121,971	-	121,000	-
Adamjee Insurance Company Limited - MAZAAF	30,061,811	11,782,136	4,566,210	37,277,737	339,398	126,000	50,000	392,907
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	462,336	-	-	462,336	5,220	-	-	4,873
Hyundai Nishat Motor Private Limited	-	1,920,274	45,455	1,874,819	-	21,467	500	19,761
Nishat Mills Limited	1,121,411	-	-	1,121,411	12,661	-	-	11,820
Asghari Beg Memorial Trust	387,764	-	-	387,764	4,378	-	-	4,087
MCBFSL Trustee Alhamra Smart Portfolio Fund	2,681,101	2,239,685	1,119,979	3,800,807	30,270	25,055	12,063	40,061
Directors And Key Management Personnel	1,834,806	7,049,785	6,507,059	2,377,532	20,715	77,144	71,093	25,059
Mandate under discretionary portfolio services	18,418,246	13,243,095	6,773,334	24,888,007	207,942	145,071	73,610	262,320

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

	Half year ended	
	December 31, 2022	2021
	----- (Rupees in '000) -----	
13.2 Transactions during the period:		
MCB - Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	28,693	39,949
Shariah advisory fee	363	363
Marketing and selling expense	16,505	22,978
Allocated expenses	1,270	1,768
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	2,004	2,567
Central Depository Service charges	79	212
Arif Habib Capital Limited - Subsidiary of Associated Company		
Brokerage expense*	201	227
MCB Bank Limited - Parent of the Management Company		
Bank charges	11	35
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Markup on bank balances	39	-
D.G Khan Cement Company Limited - Group Company of Parent Company		
Purchase 646,000 (2021: 528,515) Shares	37,783	44,436
Sales of 1,146,000 (2021: 332,131) Shares	61,622	31,663
Dividend income	600	530
Nishat Mills Limited - Group Company of Parent Company		
Purchase 583,020 (2021: 517,200) Shares	35,866	47,898
Sales of 1,118,020 (2021: 517,200) Shares	73,621	44,234
Dividend Income	1,000	1,514
Aisha Steel Mills Limited - Group Company of Associated Company		
Purchase 1,255,639 (2021: 3,334,500) Shares	13,592	54,023
Sales of 99,990 (2021: 1,834,500) Shares	1,120	30,989
Nishat (Chunian) Limited - Group Company of Associated Company		
Purchase 1,350,000 (2021: 350,000) Shares	42,102	14,746
Sales of 2,500,000 (2021: Nil) Shares	99,323	-
Dividend Income	2,800	-

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

13.3 Balances outstanding at period end:

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
MCB - Arif Habib Savings and Investment Limited - Management Company		
Remuneration payable	4,395	4,181
Sindh sales tax payable on remuneration	571	544
Sales load payable including related taxes	7	5
Shariah advisory fee payable	63	60
Payable against allocated expense	220	209
Payable against marketing and selling expenses	8,577	8,789
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	305	292
Sindh sales tax payable on remuneration	40	38
Security deposit	300	300
Group / associated companies		
Arif Habib Limited - Brokerage House		
Brokerage payable *	107	1
MCB Bank Limited		
Bank balance	5,320	5,022
MCB Islamic Bank Limited		
Bank balance	275,156	10
Aisha Steel Limited		
2,755,639 shares (2022: 1,599,990 shares)	22,624	17,680
D.G. Khan Cement Company Limited		
Nil (2022: 500,000) shares	-	31,250
Nishat (Chunian) Limited		
500,000 shares (2022: 1,650,000 shares)	10,420	73,904
Nishat Mills Limited		
300,000 shares (2022: 835,000 shares)	16,497	61,715

* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

**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, analyzed between those whose fair value is 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).

As at December 31, 2022 and June 30, 2022, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
December 31, 2022 (Un-audited)				
At fair value through profit or loss				
Listed Equity Securities	<u>2,550,329</u>	<u>-</u>	<u>-</u>	<u>2,550,329</u>
June 30, 2022 (Audited)				
At fair value through profit or loss				
Listed Equity Securities	<u>2,306,876</u>	<u>-</u>	<u>-</u>	<u>2,306,876</u>

During the period ended December 31, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of 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 values.

15. TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to December 31, 2022 is 4.52% as on December 31, 2022 (December 31, 2021: 4.54%) and this includes 0.30% (December 31, 2021: 0.29%) representing Government Levy.

16. GENERAL

16.1 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

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

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on February 03, 2023.

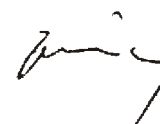
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



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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