

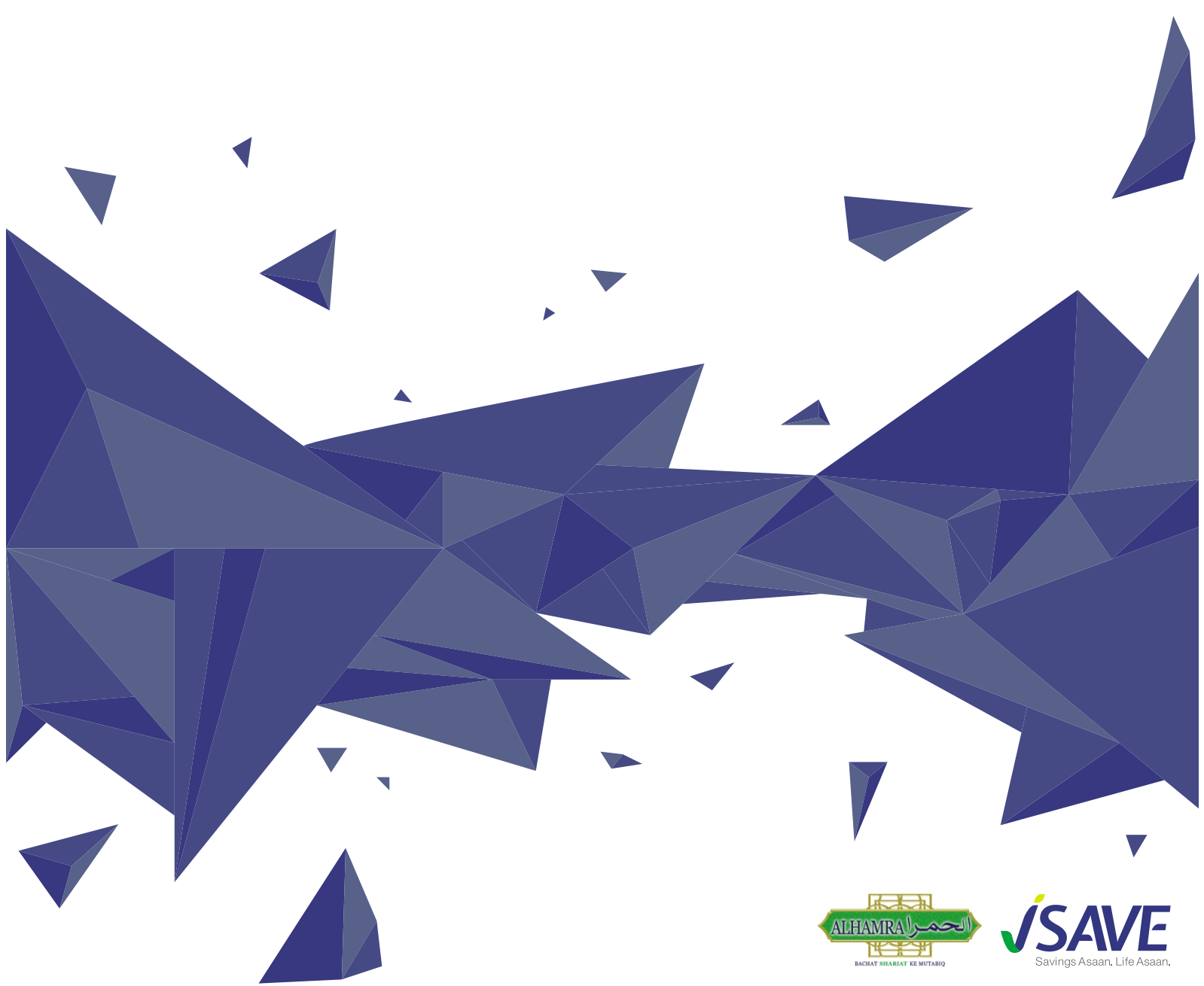


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2023
(UNAUDITED)

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



ALHAMRA ISLAMIC ASSET ALLOCATION FUND

TABLE OF CONTENTS

1	Fund's Information	248
2	Report of the Directors of the Management Company	249
3	Condensed Interim Statement of Assets And Liabilities	256
4	Condensed Interim Income Statement (Un-audited)	257
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	258
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	259
7	Condensed Interim Cash Flow Statement (Un-audited)	260
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	261

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 Shakra-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 Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Meezan Bank Limited Dubai Islamic Bank Pakistan Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Askari Bank Limited Soneri Bank Limited Al Baraka Bank Pak Limited Allied Bank Limited The Bank of Khyber	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Asset Allocation Fund** accounts review for the nine months and quarter ended March 31, 2023.

ECONOMY AND MONEY MARKET REVIEW

The country faced a period of heightened economic challenges, which were further escalated by the worst floods in more than a decade. The floods caused significant damage to infrastructure, crops, and livestock, as well as loss of precious lives. Efforts to shore up international aid, while resulted in significant commitments of near USD 10bn over medium term however the strain, intensified the short term pressures as country is already grappling with depleting foreign exchange reserves while struggling to unlock IMF support.

The county's external position remains precarious with SBP foreign exchange reserves declining to USD 4.2 billion (mere import cover of 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. The government has been aggressively pursuing IMF program - albeit with a delay – to conclude 9th review of the Fund. Despite taking politically unpopular steps like raising energy tariff, letting PKR devalue, slapping additional taxes and raising interest rates, IMF's Staff Level Agreement (SLA) yet eludes us. The delay in the IMF program led to a slowdown in foreign flows from bilateral and multilateral partners leading to erosion in reserves. As a result, the currency remained under severe pressure, with dollar appreciating by 38.6% in 9MFY23 to close at 283.4 near to its all-time high level.

The country posted a current account deficit (CAD) of USD 3.9 billion in first eight months of the fiscal year 2023 (8MFY23) declining by 68% YoY compared to a deficit of USD 12.1 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 9.7% decrease in exports coupled with 21.0% drop in imports led to 29.8% contraction in the trade deficit. The government kept a lid on imports through administrative measures such as imposing import quotas on selective imports. However, these steps have led to an increase in smuggling activity which is also picking away remittances through gray channels. Furthermore, the tight leash on imports is not sustainable as it is causing shortages across various industries impacting overall economic growth.

Headline inflation represented by CPI averaged 27.2% during 9MFY23 as compared to 10.7% in the corresponding period last year. Higher food prices coupled with higher electricity, gas and petroleum prices were the major contributors towards rising CPI. The inflationary pressures were broad based, which is depicted by core inflation increasing to 20.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 21.0% in the latest monetary policy held in April 2023. On the fiscal side, FBR tax collection increased by 17.6% in 9MFY23 to PKR 5,156bn compared to PKR 4,385bn in the same period last year and below the target by PKR 304bn.

Secondary markets yields increased in 9MFY23 on account of monetary tightening and an additional bout of inflationary pressures post a massive currency devaluation. The 3,6 and 12 Month T-Bills yield increased by 643, 595 and 585 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 479,226 and 206bps respectively during 9MFY23.

EQUITY MARKET REVIEW

The KSE-100 index closed in negative territory, declining by 1,540 points (-3.7%) in 9MFY23 to close at 40,001 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 the highest since 1974), depleting SBP Reserves (lowest levels since March 2014), and highest ever interest rates, 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.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

Foreigners turned net buyer with an inflow of USD 7.2 million, while on the local front, Mutual Funds offloaded about USD 111 million, which was largely absorbed by Companies, Banks and Individuals with net buying of USD 82.4 million, USD 60.0 million and USD 57.6 million, respectively. During the 9MFY23, average trading volumes saw a decline to 204 million shares compared to about 291 million shares during the preceding 9M. Similarly, the average trading value during the 9M saw a drop of 49% over the same period last year to near USD 28.2 million.

Pharma, Miscellaneous, Auto Assemblers, and Food sector were the major contributors to the index decline, posting -449/-426/-388/-318 points, respectively. Pharma sector struggled with the risk of exchange losses amid depreciating PKR against USD posing risk to near-term earnings. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by SBP. On the flip side, Technology sector added 801 points to the index.

FUND PERFORMANCE

During the period under review, the fund delivered a return of -1.10% as against its benchmark return of 1.00%. On the equities front, the overall allocation was 80.9% and 19.1% in cash at the end of the period under review. The fund was mainly invested in Cement, Oil & Gas Exploration Companies and Commercial Banks significantly during the period. On the fixed income side, there was exposure towards Cash at the end of the period under review. The Net Assets of the Fund as at March 31, 2023, stood at Rs. 1,490 million as compared to Rs. 1,689 million as at June 30, 2022 registering a decrease of 11.78%. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 63.6832 as compared to opening NAV of Rs. 64.3927 per unit as at June 30, 2022 registering a decrease of Rs. 0.7095 per unit.

ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.1% 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 -6.9% 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 2.3%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The import bill is expected to decrease by 20% YoY to USD 66 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 5.8 billion (1.7% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

Media reports indicate positive progress on confirmation of support from friendly countries which will remove the last hurdle towards IMF agreement. Saudi Arabia has confirmed commitment of USD 2bn and Pakistan is hoping for similar commitment for UAE or some other source which would lead to the much-delayed staff-level agreement with IMF. The successful resumption of IMF program is essential as it will allow us to tap funding from bilateral and multilateral sources. Due to ongoing uncertainty other external funding sources including Foreign Direct Investment and Roshan Digital Account also remain muted making IMF even more critical for sustainability of external account and economic stability.

We expect Average FY23 inflation to clock at 29.2% compared to 12.1% in FY22. A second round impact of the currency devaluation will keep inflation numbers elevated for the remainder of the year. SBP has increased interest rates by 1.0% to 21.0% in April-23 MPS to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations. In our view, subject to smooth resumption of IMF, Interest Rates appear to be near peak and after a brief phase of current rates, a monetary easing cycle can potentially begin in the later part of the year as the base effect on inflation starts kicking in which will be more pronounced from the start of next calendar year.

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 7.7%, a discount of 61% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 6.8%, compared to historical average of 2.7% signifying

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

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, resolution of challenges on external account shall be critical in unlocking the huge potential. The market is currently trading at PER of 4.6x, while offering a dividend yield of 12.1%.

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 22.8% during 9MFY23 to PKR 1,491 billion. Total money market funds grew by about 26.8% since June 2022. Within the money market sphere, the conventional funds showed a decline of 1.1% to PKR 441 billion while Islamic funds increased by 82.2% to PKR 411 billion. In addition, the total fixed Income funds increased by about 24.0% since June 2022 to PKR 358 billion. Equity and related funds declined by 21.9% as market witnessed a drop in 9MFY23, 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 57.1%, followed by Income funds with 24.0% and Equity and Equity related funds having a share of 12.0% as at the end of 9MFY23.

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.

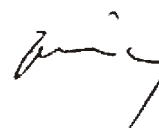
ACKNOWLEDGEMENT

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
April 14, 2023



Nasim Beg
Director/Vice Chairman

ڈائریکٹرز رپورٹ

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سوڈی موجودہ شرحوں سے Money 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 پرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

اظہار تشکر

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


من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

کراچی، 14 اپریل 2023ء



نسیم بیگ

ڈائریکٹر / وائس چیئرمین

ڈائریکٹرز رپورٹ

طور پر 20 فیصد YoY کم ہو کر 66 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم منکڑ جائیں گے۔ چنانچہ ہمیں توقع ہے کہ مالی سال 2023ء میں سی اے ڈی کم ہو کر 5.8 بلین ڈالر (جی ڈی پی کا 1.7 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں قابل ذکر کمی ہے۔

میڈیا رپورٹس کے مطابق دوست ممالک سے تعاون کی تصدیق میں مثبت پیش رفت ہوئی ہے جس کی بدولت آئی ایم ایف معاہدے کی راہ میں حائل آخری رکاوٹ دور ہو جائے گی۔ سعودی عرب نے 2 بلین ڈالر کے معاہدے کی تصدیق کی ہے، اور متحدہ عرب امارات سے بھی اسی نوعیت کے معاہدے کی توقع ہے، جس کی بدولت بے حد مطلوب آئی ایم ایف اسٹاف لیول معاہدے کی راہ ہموار ہوگی۔ آئی ایم ایف پروگرام کی کامیابی کی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ موجودہ غیر یقینی صورتحال کے باعث حصول رقم کے دیگر خارجی ذرائع بشمول براہ راست غیر ملکی سرمایہ کاری (FDI) اور روٹن ڈیجیٹل اکاؤنٹ بھی کارآمد ثابت نہیں ہو رہے ہیں، اور اس کے نتیجے میں آئی ایم ایف خارجی اکاؤنٹ کی قابلیت بقاء اور معاشی استحکام کے لیے مزید مشکل ہو رہی ہے۔

مالی سال 2023ء میں اوسط مہنگائی 29.2 فیصد متوقع ہے، بالمتقابل مالی سال 2022ء میں 12.1 فیصد کے۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور رسال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رکھے گا۔ ایس بی پی نے اپریل 2023ء MPS میں سود کی شرحوں کو 1.0 فیصد بڑھا کر 21.0 فیصد کر دیا ہے تاکہ حقیقی شرح سود کو ترقی پسندانہ بنیاد پر مثبت علاقے میں لے جایا جاسکے اور مہنگائی کی توقعات کو لنگر انداز کیا جاسکے۔

ہم سمجھتے ہیں کہ آئی ایم ایف کی بلا رکاوٹ بحالی سے مشروط سود کی شرحیں بظاہر بلندی کے قریب ہیں، اور موجودہ شرحوں کے ایک مختصر دور کے بعد سال کے اواخر میں مالیاتی تسہیل کا چکر شروع ہو سکتا ہے، کیونکہ مہنگائی پر base effect پڑنے لگے گا جو اگلے سال کے آغاز سے مزید واضح ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مدنظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.7 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 61 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 6.8 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 بہتر قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ تاہم ضخیم استعداد سے فائدہ اٹھانے کے لیے خارجی میدان کے مسائل سے نمٹنا ضروری ہے۔ موجودہ طور پر مارکیٹ میں 4.6x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 12.1 فیصد پر ہے۔

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

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2023ء کے ابتدائی نو ماہ کے دوران تقریباً 22.8 فیصد بڑھ کر 1,491 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 26.8 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز 1.1 فیصد بڑھ کر 441 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 82.2 فیصد بڑھ کر 411 بلین روپے ہو گئے۔ مزید برآں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.0 فیصد بڑھ کر 358 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 21.9 فیصد کم ہو گئے جس کی وجہ زبردستی کے دوران مارکیٹ میں اضطراب 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 ابتدائی نو ماہ کے اختتام پر Money مارکیٹ فنڈز تقریباً 57.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 24.0 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 12.0 فیصد حصہ تھا۔

ڈائریکٹرز رپورٹ

ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس منفی رجحان میں بند ہوا؛ مالی سال 2023ء کے ابتدائی نو ماہ میں 1540 پوائنٹس (3.7- فیصد) کم ہو کر 40,001 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک کی طرف سے تعاون کے حوالے سے جو ابتدائی جوش و خروش تھا وہ جلد ہی تباہ کن سیلابوں کی نذر ہو گیا جس کے نتیجے میں ملک کی پہلے سے بد حال معیشت مزید ابتر ہو گئی۔ زیر جائزہ مدت میں مہنگائی میں اضافہ ہوا (سی پی آئی 1974ء سے اب تک کی بلند ترین سطح پر پہنچ گیا) جس کے باعث ایس بی پی کے ذخائر کم ہوئے مارچ 2014ء سے اب تک کی پست ترین سطح پر پہنچ گئے)، اور شروع سودا ب تک کی بلند ترین سطح پر پہنچ گیا جس کے باعث سرمایہ کاروں ناگوں کی کیفیت میں مبتلا 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 7.2 ملین ڈالر آمدنی بہاؤ کے ساتھ net خریدار رہے، جبکہ مقامی جہت میں میوچل فنڈز نے 111 ملین ڈالر کی فروخت کی جس کے بڑے خریدار کمپنیاں (82.4 ملین ڈالر)، بینک (60.0 ملین ڈالر) اور افراد (57.6 ملین ڈالر) تھے۔ مالی سال 2023ء کے ابتدائی نو ماہ کے دوران اوسط تجارتی حجم کم ہو کر 204 ملین حصص ہو گیا، جبکہ سابقہ نو ماہ کے دوران تقریباً 291 ملین حصص تھا۔ اسی طرح، زیر جائزہ نو ماہ کے دوران اوسط تجارتی قدر سال گزشتہ مماثل مدت کے مقابلے میں 49 فیصد کم ہو کر تقریباً 28.2 ملین ڈالر ہو گئی۔

انڈیکس کی کمی میں اہم ترین کردار دو اساسی کمپنی، دیگر کمپنیاں، گاڑیوں کی اسمبلنگ، اور ایشیائے خورد و نوش کے شعبوں نے ادا کیا جنہوں نے بالترتیب 449-، 426-، 388- اور 318- پوائنٹس پوسٹ کیے۔ روپے کی قدر میں کمی کے باعث دو اساسی کے شعبے کو زرمبادلہ کے خسارہ جات کا سامنا رہا جس کے نتیجے میں قریب المیعا د کی آمدنیوں کو خطرہ لاحق ہوا۔ 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 801 پوائنٹس کا اضافہ کیا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (1.10) فیصد منافع حاصل کیا، جبکہ مقررہ معیار کا منافع 1 فیصد تھا۔ ایکویٹیز میں مجموعی اختصاص زیر جائزہ مدت کے اختتام پر 80.9 فیصد اور فنڈ میں 19.1 فیصد تھا۔ دوران مدت فنڈ کی زیادہ تر سرمایہ کاری تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں کے شعبے میں تھی۔ مقررہ آمدنی کی جہت میں زیر جائزہ مدت کے اختتام پر فنڈ میں کوئی شمولیت نہیں تھی۔

31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 1,490 ملین روپے تھے جو 30 جون 2022ء کی سطح 1,689 ملین روپے کے مقابلے میں 11.78 فیصد کمی ہے۔ 31 مارچ 2023ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 63.6832 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 64.3927 روپے فی یونٹ کے مقابلے میں 0.7095 روپے فی یونٹ کمی ہے۔

معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.1 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت منست 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 6.9- فیصد متوقع ہے جس کے اسباب طلب میں منست 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 2.3 فیصد ہو جائے گی۔

ہم حکومت سے امید کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک ایسیٹ ایلوکیشن کے اکاؤنٹس مختتمہ برائے نومبر اور سہ ماہی 31 مارچ 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

ملک گھمبیر معاشی مسائل کے دور سے گزرا ہے اور گزشتہ ایک دہائی سے زائد کے بدترین سیلابوں نے اسے مزید سنگین بنا دیا۔ سیلابوں سے انفراسٹرکچر یعنی ساخت، فصلوں اور مویشیوں کو شدید نقصان پہنچا اور انسانی جانوں کا ضیاع ہوا۔ بین الاقوامی امداد جمع کرنے کی کوششوں کے نتیجے میں اگرچہ درمیانی مدت میں تقریباً 10 بلین ڈالر سے زائد کے وعدے حاصل ہوئے تاہم مختصر مدت کے دباؤ میں اضافہ ہوا کیونکہ ملک پہلے ہی زرمبادلہ کے کم ہوتے ہوئے ذخائر سے نمٹ رہا ہے اور آئی ایم ایف کی امداد حاصل کرنے کی کاوش میں لگا ہوا ہے۔

ملک کی خارجی صورتحال غیر یقینی رہی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 4.2 بلین ڈالر (صرف 3 ہفتوں کا درآمداتی cover) جبکہ مالی سال کے آغاز میں 9.8 بلین ڈالر تھے۔ حکومت متحزک انداز میں آئی ایم ایف پروگرام پر عمل کرتے ہوئے - اگرچہ کچھ تاخیر کے ساتھ - فنڈ کا نواں (9th) جائزہ پایہ تکمیل تک پہنچانے کے لیے پرعزم ہے۔

سیاسی اعتبار سے ناپسندیدہ فیصلوں مثلاً بجلی اور گیس کی قیمت بڑھانے، روپے کی قدر میں کمی ہونے دینا، اضافی ٹیکس لگانے، اور سود کی شرحوں میں اضافہ کرنے کے باوجود آئی ایم ایف کا اسٹاف لیول ایگریمنٹ (SLA) اب بھی ہمارے ہاتھ نہیں آیا ہے۔ آئی ایم ایف پروگرام میں تاخیر کے باعث دوطرفہ اور کثیرالجبہ شراکت داروں سے غیر ملکی امداد دست روی کا شکار ہوئیں اور ذخائر میں کمی ہوئی۔ اس کے نتیجے میں روپے پر شدید دباؤ رہا اور مالی سال 2023ء میں ڈالر کی قدر 38.6 فیصد بڑھ کر 283.4 روپے ہو گئی جو اب تک کی بلند ترین سطح ہے۔

مالی سال 2023ء کے ابتدائی آٹھ ماہ میں ملک نے 3.9 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) پوسٹ کیا، جو سال گزشتہ کی مماثل مدت کی سطح 12.1 بلین ڈالر کے مقابلے میں 68 فیصد YoY کمی ہے۔ سی اے ڈی میں بہتری میں اہم ترین کردار تجارتی خسارے میں کمی کا ہے۔ برآمدات میں 9.7 فیصد کمی کے ساتھ ساتھ درآمدات میں 21.0 فیصد کمی کی بدولت تجارتی خسارہ 29.8 فیصد سے سنکڑ گیا۔ حکومت نے انتظامی اقدامات کے ذریعے درآمدات کو قابو میں رکھا، مثلاً منتخب درآمدات پر درآمداتی کوٹوں کا نفاذ۔ تاہم ان اقدامات سے اسمگلنگ (غیر قانونی درآمدات) کی سرگرمیوں میں اضافہ ہوا ہے اور مشتبه ذرائع سے ترسیلات زر ضائع ہو رہی ہیں۔ علاوہ ازیں، درآمدات کو سختی سے قابو میں رکھنا پائیدار عمل نہیں ہے کیونکہ اس سے مختلف صنعتوں میں کمی پیدا ہو رہی ہے جس کے نتیجے میں مجموعی معاشی ترقی متاثر ہو رہی ہے۔

ہیڈ لائن انفراسٹرکچر، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2023ء کے ابتدائی نومبر کے دوران 27.2 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 10.7 فیصد تھا۔ اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی میں 20.4 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے اپریل 2023ء کی تازہ ترین مانیٹری پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 21.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کے ابتدائی نومبر میں 17.6 فیصد اضافہ ہوا اور 5,156 بلین روپے ٹیکس جمع ہوئے، جبکہ گزشتہ سال مماثل مدت میں 4,385 بلین روپے تھا اور ہدف سے 304 بلین روپے کم تھا۔

ثانوی مارکیٹوں کی پیداوار میں مالی سال 2023ء کے ابتدائی نومبر میں اضافہ ہوا جس کے اسباب مالیاتی سختی اور روپے کی قدر میں خطیر کمی کے بعد مہنگائی کے دباؤ کی نئی لہر ہے۔ 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 643,595 اور 585 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 479,226 اور 206 بی پی ایس کا اضافہ ہوا۔

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2023**

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	4 273,031	324,500
Investments	5 1,223,209	1,370,513
Dividend, markup and other receivables	12,808	4,631
Advances, deposits and prepayments	3,885	3,905
Receivable against sale of investments	-	21,945
Total assets	<u>1,512,933</u>	<u>1,725,494</u>
LIABILITIES		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6 5,060	6,073
Payable to Central Depository Company of Pakistan Limited - Trustee	240	253
Payable to the Securities and Exchange Commission of Pakistan (SECP)	231	429
Payable against purchase of investments	4,566	17,522
Accrued and other liabilities	7 12,700	12,146
Total liabilities	<u>22,797</u>	<u>36,423</u>
NET ASSETS	<u>1,490,136</u>	<u>1,689,071</u>
Unit holders' fund (as per statement attached)	<u>1,490,136</u>	<u>1,689,071</u>
Contingencies and commitments	8	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	<u>23,399,212</u>	<u>26,230,784</u>
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	<u>63.6832</u>	<u>64.3927</u>

The annexed notes from 1 to 15 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 (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	Nine months period ended		Quarter ended	
	March 31,		March 31,	
	2023	2022	2023	2022
Note ----- (Rupees in '000) -----				
INCOME				
Capital loss on sale of investments	(100)	(147,408)	(11,118)	(96,939)
Dividend income	62,020	79,651	26,113	28,707
Markup on bank deposits	25,454	20,265	8,490	8,516
Unrealised (diminution) / appreciation on re-measurement of investments classified 'as 'financial assets at fair value through profit or loss' - net	5.1.1 (39,887)	(72,713)	16,666	61,194
Total income	47,487	(120,205)	40,151	1,478
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	38,213	55,711	12,288	17,194
Sindh Sales tax on remuneration of the Management Company	4,968	7,242	1,598	2,235
Allocated expenses	1,158	1,688	372	521
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,909	2,439	619	768
Sindh sales tax on remuneration of the Trustee	247	317	81	100
Annual fee to the Securities and Exchange Commission of Pakistan	231	338	74	105
Brokerage, settlement and bank charges	5,082	7,465	1,940	2,618
Printing and related costs	27	28	13	11
Fees and subscription	21	21	6	7
Shariah advisory fee	541	540	181	177
Auditors' remuneration	620	427	148	119
Legal and professional charges	157	512	77	41
Donation	2,488	2,734	1,220	1,096
Total expenses	55,662	79,462	18,617	24,992
Net (loss) / income from operating activities	(8,175)	(199,667)	21,534	(23,514)
Reversal for Sindh Worker's Welfare Fund (SWWF)	-	18,922	-	-
Net (loss) / income for the period before taxation	(8,175)	(180,745)	21,534	(23,514)
Taxation	9 -	-	-	-
Net (loss) / income for the period after taxation	(8,175)	(180,745)	21,534	(23,514)
<i>Allocation of net income for the period:</i>				
Net income for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
<i>Accounting income available for distribution:</i>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
Earnings / loss per unit	10			

The annexed notes from 1 to 15 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	Nine months period ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net (loss) / incom for the period after taxation	(8,175)	(180,745)	21,534	(23,514)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(8,175)</u>	<u>(180,745)</u>	<u>21,534</u>	<u>(23,514)</u>

The annexed notes from 1 to 15 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months period ended March 31, 2023			Nine months period ended March 31, 2022		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	------(Rupees in '000)-----					
Net assets at the beginning of the period	1,919,624	(230,553)	1,689,071	2,177,116	157,772	2,334,888
Issuance of 6,042,183 units (2022: 7,179,801 units):						
- Capital value (at net asset value per unit at the beginning of the period)	389,072	-	389,072	558,467	-	558,467
- Element of income	(4,326)	-	(4,326)	(13,850)	-	(13,850)
	384,747	-	384,747	544,617	-	544,617
Redemption of 8,873,755 units (2022: 9,927,599 units):						
- Capital value (at net asset value per unit at the beginning of the period)	571,405	-	571,405	772,199	-	772,199
- Element of income / (loss)	4,101	-	4,101	(39,090)	-	(39,090)
	575,506	-	575,506	733,109	-	733,109
Total comprehensive income for the period	-	(8,175)	(8,175)	-	(180,745)	(180,745)
Net assets at the end of the period	<u>1,728,865</u>	<u>(238,728)</u>	<u>1,490,136</u>	<u>1,988,625</u>	<u>(22,973)</u>	<u>1,965,652</u>
Accumulated Income / (loss) brought forward forward comprising of:						
- Realised gain		(27,389)			14,771	
- Unrealised gain		(203,164)			143,001	
Accumulated Income / (loss) brought forward		(230,553)			157,772	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Net Loss for the period after taxation		(8,175)			(180,745)	
Undistributed income carried forward		<u>(238,728)</u>			<u>(22,973)</u>	
Undistributed income carried forward comprising of:						
- Realised loss		(238,728)			(220,121)	
- Unrealised gain		-			197,148	
		<u>(238,728)</u>			<u>(22,973)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period	<u>64.3927</u>			<u>77.7831</u>		
Net asset value per unit at the end of the period	<u>63.6832</u>			<u>72.0808</u>		

The annexed notes from 1 to 15 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	<u>Nine Months Period Ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	(8,175)	(180,745)
Adjustments for:		
Dividend income	(62,020)	(79,651)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	39,887	72,713
Provision for Sindh Workers' Welfare Fund (SWWF)	-	(18,922)
	<u>(30,308)</u>	<u>(206,605)</u>
(Increase) / decrease in assets		
Investments - net	107,417	364,436
Dividend, markup and other receivables	632	(31,575)
Advances, deposits and prepayments	20	(31)
Receivable against sale of investments	21,945	33,855
	130,014	366,685
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(1,013)	(1,096)
Payable to Central Depository Company of Pakistan Limited - Trustee	(13)	(32)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(198)	(150)
Payable against purchase of investments	(12,956)	16,610
Accrued and other liabilities	554	494
	(13,626)	15,826
Dividend received	53,211	75,755
Net cash generated from operating activities	<u>139,291</u>	<u>251,661</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	384,747	544,618
Payments against redemption of units	(575,506)	(733,109)
Net cash (used in) financing activities	<u>(190,759)</u>	<u>(188,491)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(51,468)</u>	<u>63,170</u>
Cash and cash equivalents at the beginning of the period	324,500	334,549
Cash and cash equivalents at the end of the period	<u><u>273,031</u></u>	<u><u>397,719</u></u>

The annexed notes from 1 to 15 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 NINE MONTHS ENDED MARCH 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2005 under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the fund had 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 NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in securities or instruments both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Shariah compliant Islamic Asset Allocation" scheme by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by SECP.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2022 (2021: 'AM1' dated October 6, 2021) 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 as the Trustee of the Fund.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

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 for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2022. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2023 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022,
- 2.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.
- 3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2022.

4	BALANCES WITH BANKS	Note	(Un-Audited) March 31, 2023	(Audited) June 30, 2022	----- (Rupees in '000) -----		
	In current accounts		8,835	9,342			
	In saving accounts	4.1	264,196	315,158			
		4.2	<u>273,031</u>	<u>324,500</u>			

- 4.1 These carry profit at the rates ranging from 6.48% to 17.5% for the period (June 30, 2022: 6.55% to 15.51% per annum).
- 4.2 These include balances held with related parties of Rs. 8.531 million (June 30, 2022: Rs. 9.161 million) with MCB Bank Limited and Rs. 25 million (June 30, 2022: Rs. 0.013million) with MCB Islamic Bank Limited.

5	INVESTMENTS	Note	(Un-Audited) March 31, 2023	(Audited) June 30, 2022	----- (Rupees in '000) -----	
	Investment by category					
	5.1 At fair value through profit or loss					
	Listed equity securities	5.1.1	1,223,209	1,370,513		
			<u>1,223,209</u>	<u>1,370,513</u>		

5.1.1 Listed equity securities - 'at fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of investee company	Number of shares					Balance as at March 31, 2023			Market Value as a percentage of		Percentage in relation to 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 March 31, 2023	Carrying value	Market value	Unrealised (loss)/ gain	Net assets	Total investments	
----- (Rupees in '000) -----											
Automobile Parts & Accessories											
Agriauto Industries Limited***	56,400	-	14,025	70,100	325	35	20	(15)	0.00	0.00	0.00
Thal Limited***	53,000	3,400	-	56,400	-	-	-	-	-	-	-
					<u>325</u>	<u>35</u>	<u>20</u>	<u>(15)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cable & Electrical Goods											
Pak Elektron Limited	900,000	490,000	-	1,390,000	-	-	-	-	-	-	-
					-	-	-	-	-	-	-
Cement											
Cherat Cement Company Limited	153,128	413,952	-	297,080	270,000	27,568	30,397	2,829	0.02	0.02	0.02
D.G. Khan Cement Company Limited**	328,265	560,000	-	563,265	325,000	13,894	14,271	377	0.01	0.01	0.00
Fauji Cement Company Limited****	5,857,500	4,700,000	681,250	2,563,500	8,675,250	105,588	103,756	(1,832)	0.07	0.08	0.00
Gharibwal Cement Ltd	659,000	5,000	-	14,000	650,000	12,684	11,161	(1,524)	0.01	0.01	0.00
Kohat Cement Company Limited	229,400	191,900	-	250,346	170,954	22,365	23,836	1,471	0.02	0.02	0.01

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

Name of investee company	Number of shares				Balance as at March 31, 2023			Market Value as a percentage of		Percentage in relation to 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 March 31, 2023	Carrying value	Market value	Unrealised (loss) / gain	Net assets		Total investments
	----- (Rupees in '000) ----- % -----										
Lucky Cement Limited	179,000	164,000	-	158,500	184,500	81,104	74,250	(6,853)	0.05	0.06	0.02
Maple Leaf Cement Factory Limited	1,975,000	2,247,047	-	1,802,000	2,420,047	58,268	62,873	4,605	0.04	0.05	0.01
Pioneer Cement Limited	193	-	-	193	-	-	-	-	-	-	-
					12,695,751	321,471	320,543	(928)	0.22	0.26	0.07
Chemicals											
Archroma Pakistan Limited	10,900	3,500	-	-	14,400	7,795	6,113	(1,682)	0.00	0.00	0.02
					14,400	7,795	6,113	(1,682)	0.00	0.00	0.02
Commercial Banks											
Bankislami Pakistan Limited	3,300,000	1,582,000	-	4,882,000	-	-	-	-	-	-	-
Meezan Bank Limited****	1,360,000	331,000	125,000	756,000	1,060,000	108,777	100,912	(7,865)	0.07	0.08	0.01
Faysal Bank Limited	-	3,150,000	-	1,350,000	1,800,000	47,982	39,186	(8,796)	0.03	0.03	0.00
					2,860,000	156,759	140,098	(16,661)	0.09	0.11	0.01
Engineering											
AGHA STEEL IND. LTD	25	-	-	25	-	-	-	-	-	-	-
Aisha Steel Mills Limited**	700,000	650,000	-	1,350,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	385,000	29,000	-	414,000	-	-	-	-	-	-	-
					-	-	-	-	-	-	-
Fertilizer											
Engro Corporation Limited	293,612	307,328	-	265,940	335,000	87,662	92,721	5,059	0.06	0.08	0.02
Engro Fertilizer Limited	700,000	315,843	-	440,843	575,000	49,479	48,772	(708)	0.03	0.04	0.00
Fauji Fertilizer Bin Qasim Limited	595,000	110,000	-	705,000	-	-	-	-	-	-	-
					910,000	137,142	141,493	4,351	0.09	0.12	0.02
Food & Personal Care Products											
AT-TAHUR LIMITED	407,500	110,000	40,000	117,500	440,000	7,846	6,688	(1,158)	0.00	0.01	0.00
The Organic Meat Company Limited	1,026,600	323,500	68,406	420,000	998,506	20,369	19,321	(1,048)	0.01	0.02	0.01
					1,438,506	28,216	26,009	(2,207)	0.02	0.02	0.02
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited	435,000	115,000	-	149,561	400,439	5,861	3,408	(2,453)	0.00	0.00	0.00
Tariq Glass Industries	151,588	-	-	151,588	-	-	-	-	-	-	-
					400,439	5,861	3,408	(2,453)	0.00	0.00	0.00
Miscellaneous											
Shifa International Hospitals	182,100	33,000	-	75,100	140,000	23,150	16,657	(6,492)	0.01	0.01	0.03
Synthetic Products Limited***	402	-	-	402	-	-	-	-	-	-	-
					140,000	23,150	16,657	(6,492)	0.01	0.01	0.03
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	83,709	14,500	-	42,209	56,000	95,060	84,745	(10,315)	0.06	0.07	0.06
Oil & Gas Development Company Limited	700,000	1,174,018	-	1,124,018	750,000	62,585	62,520	(65)	0.04	0.05	0.00
Pakistan Oilfields Limited	37,000	168,450	-	70,450	135,000	54,158	53,850	(307)	0.04	0.04	0.02
Pakistan Petroleum Limited	826,821	1,176,863	-	1,378,684	625,000	42,569	39,975	(2,594)	0.03	0.03	0.00
					1,566,000	254,372	241,090	(13,282)	0.16	0.20	0.09
Oil And Gas Marketing Companies											
Attock Petroleum Limited	-	64,048	-	3,048	61,000	18,500	17,911	(589)	0.01	0.01	0.01
Sui Northern Gas Pipelines Limited	80,590	-	-	80,590	-	-	-	-	-	-	-
					61,000	18,500	17,911	(589)	0.01	0.01	0.01
Paper And Board											
Century Paper & Board Mills Limited	596	135,000	59	655	135,000	5,581	6,364	783	0.00	0.01	0.00
Packages Limited	40,244	-	-	3,000	37,244	14,855	12,652	(2,203)	0.01	0.01	0.01
					172,244	20,436	19,016	(1,421)	0.01	0.02	0.02
Pharmaceuticals											
Agp Limited	81,861	75,509	-	157,370	-	-	-	-	-	-	-
Citi Pharma limited	700,000	307,168	-	488,000	519,168	15,701	13,275	(2,426)	0.01	0.01	0.01
Ferozsons Laboratories Limited	-	60,000	9,300	69,300	-	-	-	-	-	-	-
Haleon Pakistan Limited	104,500	50,000	-	54,500	100,000	19,126	13,100	(6,026)	0.01	0.01	0.01

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

Name of investee company	Number of shares					Balance as at March 31, 2023			Market Value as a percentage of		Percentage in relation to 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 March 31, 2023	Carrying value	Market value	Unrealised (loss) / gain	Net assets	Total investments	
						----- (Rupees in '000) -----			----- % -----		
Highnoon Laboratories Limited	10,015	65,000	-	10,015	65,000	30,327	30,648	321	0.02	0.03	0.07
					684,168	65,154	57,023	(8,131)	0.04	0.05	0.09
Power Generation & Distribution											
Hub Power Company Limited	550,000	1,388,609	-	955,180	983,429	64,313	66,411	2,098	0.04	0.05	0.01
					983,429	64,313	66,411	2,098	0.04	0.05	0.01
Refinery											
Attock Refinery Limited	170,000	116,000	-	286,000	-	-	-	-	-	-	-
					-	-	-	-	-	-	-
Technology & Communications											
Air Link Communication Ltd	300,000	-	-	300,000	-	-	-	-	-	-	-
Avanceon Limited	-	185,000	-	185,000	-	-	-	-	-	-	-
Octopus Digital Limited	-	263,000	-	263,000	-	-	-	-	-	-	-
Systems Limited	95,000	164,444	-	65,444	194,000	74,823	89,640	14,817	0.06	0.07	0.03
					194,000	74,823	89,640	14,817	0.06	0.07	0.03
Textile Composite											
Interloop Limited	228,450	790,161	22,840	191,451	850,000	48,800	40,707	(8,093)	0.03	0.03	0.00
Kohinoor Textile Mills Limited	479,150	100,000	-	128,500	450,650	22,512	23,619	1,107	0.02	0.02	0.01
Nishat (Chunian) Limited**	1,005,000	1,086,420	-	1,441,420	650,000	13,762	13,455	(307)	0.01	0.01	0.01
Nishat Mills Limited**	400,000	50,000	-	450,000	-	-	-	-	-	-	-
					1,950,650	85,073	77,780	(7,293)	0.05	0.06	0.02
Total as at March 31, 2023					1,263,097	1,223,209	(39,886)				
Total as at June 30, 2022					1,573,677	1,370,513	(203,164)				

** These transactions relating to shares of related parties

*** These have a face value of Rs.5 per share

**** These represent pledge securities

**** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan (SECP).

Name of security	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
	--- (Number of shares) ---		----- (Rupees in '000) -----	
Meezan Bank Limited	500,000	500,000	47,600	56,490
Fauji Cement Company Limited	2,000,000	2,000,000	23,920	28,340
	2,500,000	2,500,000	71,520	84,830

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees in '000) -----	
6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable		4,251	4,680
Sindh Sales Tax payable on remuneration of the Management Company		553	609
Allocated expenses payable		128	141
Sales load payable (including indirect taxes)		-	76
Back end load payable		67	507
Shariah advisory fee payable		61	60
		5,060	6,073

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
7 ACCRUED AND OTHER LIABILITIES			
Provision for Federal Excise Duty			
- on Management fee	7.1	5,910	5,910
- on sales load		1,136	1,136
Charity / donation payable		2,488	2,940
Auditors' remuneration payable		453	303
Withholding tax payable		3	4
Brokerage payable		1,079	762
Other payables		1,631	1,091
		<u>12,700</u>	<u>12,146</u>

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 the annual financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2023 would have been lower by Re. 0.30 per unit (June 30, 2022: Re.0.27 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

9 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 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 Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised 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.

10 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 the determination of the same is not practicable.

11 TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 4.81% (March 31, 2022: 4.70%) and this includes 0.52% (March 31, 2022: 0.46%) representing Government Levy.

12 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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 owning 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 to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	(Un-Audited)	
	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
12.1 Details of transactions with connected persons are as follows:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	43,181	62,953
Allocated expenses	1,158	1,688
Shariah advisory fee	541	540
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee (including indirect taxes)	2,156	2,756
Settlement charges	68	150
Group / Associated Companies:		
MCB Bank Limited		
Bank charges	12	17
Arif Habib Limited		
Brokerage expense *	178	269
Aisha Steel Mills Limited		
Purchase of 650,000 (March 31, 2022: 1,814,000) shares	7,602	28,224
Sale of 1,350,000 (March 31, 2022: 934,000) shares	9,713	15,611
Nishat Mills Limited		
Purchase of 50,000 (March 31, 2022: 356,100) shares	3,475	28,788
Sale of 450,000 (March 31, 2022: 146,100) shares	31,443	11,932
D.G. Khan Cement Company Limited		
Purchase of shares 560,000 (March 31, 2022: 660,100) shares	28,241	51,652
Sale of shares 563,265 (March 31, 2021: 370,000) shares	30,757	32,229
Dividend income	380	250
Nishat (chunian) Limited		
Purchase of shares 1,086,420 (March 31, 2021: 700,000) shares	30,615	34,332
Sale of shares 1,441,420 (March 31, 2022: 350,000) shares	59,436	17,485
Dividend income	1,746	1,964

* The amount disclosed represents the amount of brokerage paid / payable 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.

	(Un-Audited)	Audited
	March 31, 2023	June 30, 2022
	----- (Rupees in '000) -----	
12.2 Balances outstanding at period / year end:		
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	4,251	4,680
Sindh sales tax payable on remuneration of the management company	553	609
Allocated expenses payable	128	141
Sales load payable (including indirect taxes)	-	68
Sales tax payable on sales load	-	9
Back end load payable	67	507
Shariah advisory fee payable	61	60
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	214	224
Sales tax on Trustee fee payable	26	29
Security deposit	200	200
Group / Associated Companies:		
MCB Bank Limited		
Balance with bank	8,531	9,161

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	(Un-Audited) March 31, 2023	Audited June 30, 2022
	----- (Rupees in '000) -----	
Arif Habib Limited - Brokerage house		
Brokerage and settlement charges payable *	45	16
MCB Islamic Bank Limited		
Balance with bank	25,051	13
D.G. Khan Cement Company Limited		
325,000 (2022: 328,265) shares held	14,271	20,517
Aisha Steel Mills Limited		
Nil (2022:700,000) Shares Held	-	7,735
Nishat (Chunian) Limited		
650,000 (2022:1,005,000) Shares Held	13,455	45,014
Nishat Mills Limited		
Nil (2022:400,000) Shares Held	-	29,564

The amount disclosed represents the amount of brokerage paid / payable 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.

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

March 31, 2023 (Un-Audited)							
As at July 01, 2022	Issued for cash	Redeemed	As at March 31, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at March 31, 2023
----- Units -----				----- (Rupees in '000) -----			
Group / Associated Companies							
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	112,524	-	112,524	7,246	-	-	7,166
Adamjee Life Assurance Co. Ltd. (Imf)	580,377	1,562,083	2,142,460	37,372	100,000	-	136,439
Adamjee Life Assurance Co. Ltd. Amaanat Fund	463,331	850,929	1,282,633	29,835	52,591	2,000	81,682
Adamjee Life Assurance Co. Ltd -Mazaaf	1,932,537	1,952,603	3,885,140	124,441	125,000	-	247,418
Hyundai Nishat Motor Private Limited Employees Provident Fund	167,136	113,653	223,743	10,762	7,150	3,700	14,249
Key management personnel*	17,324	480	1,050	1,116	31	68	1,067
Mandate under Discretionary Portfolio Services *	909,522	905,040	1,273,305	58,567	57,550	35,051	81,088

* This reflects the position of related party / connected persons status as at March 31, 2023.

March 31, 2022 (Un-Audited)							
As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022
----- Units -----				----- (Rupees in '000) -----			
Group / Associated Companies							
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	112,524	-	112,524	8,752	-	-	8,111
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	580,377	-	580,377	45,144	-	-	41,834
Adamjee Life Assurance Company Limited - (MAZAAF)	1,932,537	-	1,932,537	150,319	-	-	139,299
Adamjee Life Assurance Company Limited - (Amaanat Fund)	290,429	275,872	463,331	22,590	20,000	7,500	33,397
Key management personnel*	19,469	11,281	13,584	1,514	861	978	1,237
Mandate under Discretionary Portfolio Services *	421,012	415,706	690,133	32,748	31,700	11,050	49,745

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

13 GENERAL

Figures have been rounded off to the nearest thousand rupees.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

FAIR VALUE HIERARCHY

International Financial Reporting Standard IFRS 13- "Fair Value Measurement": requires the fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 14, 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

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH)

URL: www.mcbah.com, **Email:** info@mcbah.com