

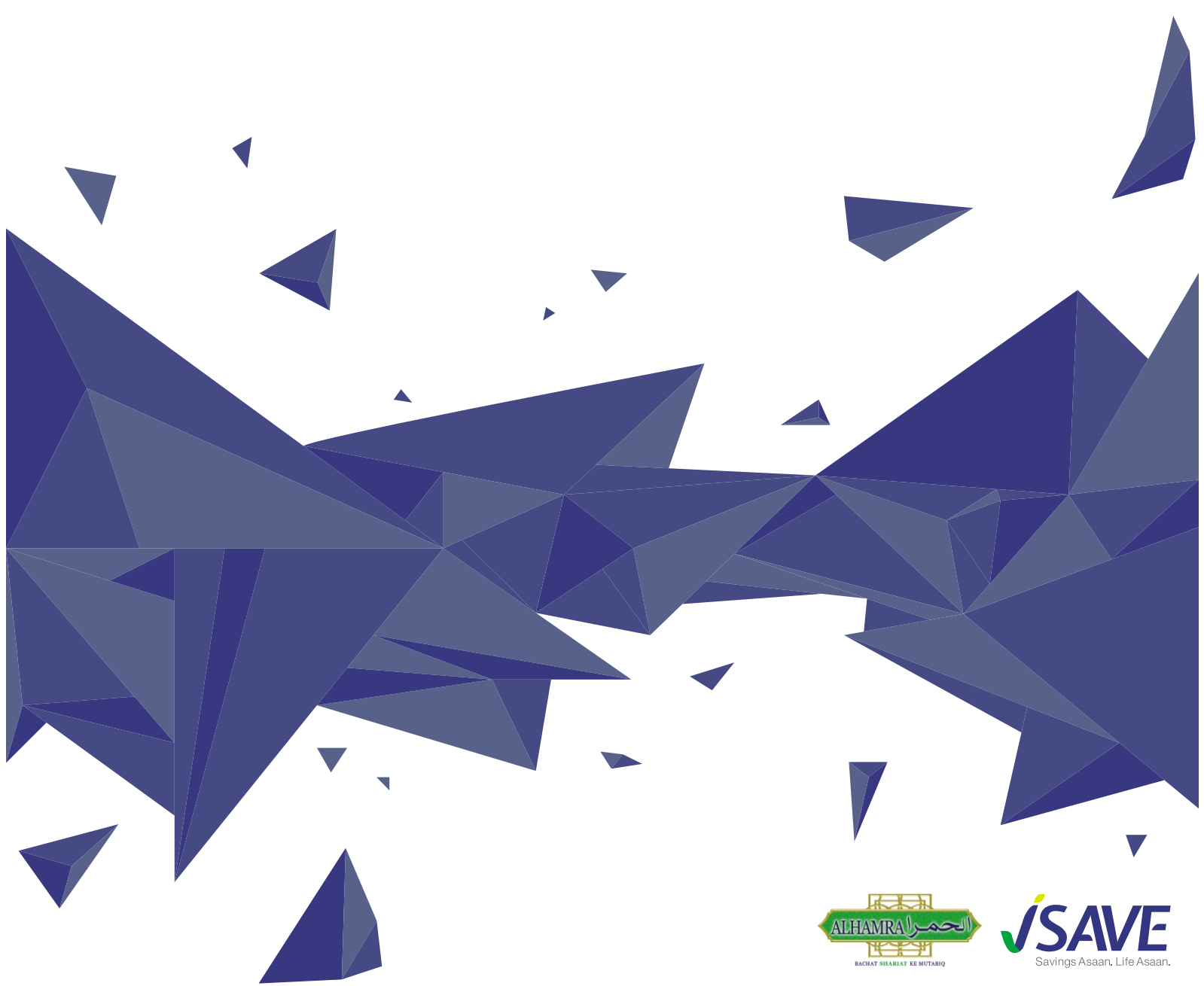


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2023
(UNAUDITED)

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



ALHAMRA ISLAMIC INCOME FUND

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FUND'S INFORMATION

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

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Income Fund** 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 country'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.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 14.13% as against its benchmark return of 5.83%. The fund was 33.3% invested in Cash and 37.3% in Sukuk. The Net Assets of the Fund as at March 31, 2023 stood at Rs. 5,898 million as compared to Rs. 4,783 million as at June 30, 2022 registering an increase of 23.31%. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 113.0023 as compared to opening NAV of Rs. 102.1635 per unit as at June 30, 2022 registering an increase of Rs. 10.8388 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

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

aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected to 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 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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

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

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 فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور
پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ، جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے 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 پر جائزہ مدت کے دوران 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 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۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی 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 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 چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
کراچی، 14 اپریل 2023ء

ڈائریکٹرز رپورٹ

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 14.13 فیصد تھا، جبکہ مقررہ معیار کا منافع 5.83 فیصد تھا۔ فنڈ کی سرمایہ کاری سسکک میں 37.3 فیصد اور نقد میں 33.3 فیصد تھی۔ 31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 5,898 ملین روپے تھے جو 30 جون 2022ء کی سطح 4,783 ملین روپے کے مقابلے میں 23.31 فیصد کا اضافہ ہے۔ 31 مارچ 2023ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 113.0023 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جات 102.1635 روپے فی یونٹ کے مقابلے میں 10.8388 روپے فی یونٹ کا اضافہ 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 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 6.9- فیصد متوقع ہے جس کے اسباب طلب 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 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 اخراجات کو بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 20 فیصد YoY کم ہو کر 66 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سنکڑ 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 سال 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 نگر 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 مد نظر رکھا ہے۔ مارکیٹ cap 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 بہت 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

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک انکم فنڈ کے اکاؤنٹس مختتمہ برائے نو ماہ 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 دو طرفہ اور کثیرالوجہتی 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 مشتہ 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 افراط زر، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2023ء کے ابتدائی نو ماہ 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 نو ماہ 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 نو ماہ 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

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	1,976,904	1,855,629
Investments	5	3,651,578	3,223,232
Advance against IPO	6	22,000	377,000
Markup receivable		244,842	82,207
Advances, deposits, prepayments and other receivables		45,115	19,982
Total assets		5,940,439	5,558,050
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	7	9,472	5,261
Payable to Central Depository Company of Pakistan Limited - Trustee		417	419
Payable to Securities and Exchange Commission of Pakistan		915	1,506
Dividend payable		3	3
Payable against purchase of investments		-	741,576
Accrued expenses and other liabilities	8	32,036	25,910
Total liabilities		42,842	774,675
NET ASSETS		5,897,597	4,783,375
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		5,897,597	4,783,375
CONTINGENCIES AND COMMITMENTS			
	9	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		52,190,046	46,820,768
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		113.0023	102.1635

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Nine Months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
INCOME	Note ----- (Rupees in '000) -----			
Income from government securities	120,398	50,183	53,831	24,274
Capital gain on sale of investments - net	581	127	0	-
Income from sukuk certificates	274,390	121,739	85,911	53,259
Profit on deposits with bank	244,433	210,630	89,016	94,631
Income on term deposits receipts	50,680	84,548	20,733	27,841
Income on commercial paper	2,134	34,820	(1)	10,453
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(29,259)	(8,287)	(14,640)	(14,135)
Other income	0	629	0	29
Total income	663,358	494,389	234,851	196,352
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	24,884	24,797	8,459	10,333
Sindh Sales Tax on remuneration of Management Company	3,235	3,224	1,100	1,344
Allocated expenses	4,582	5,821	1,567	2,057
Remuneration of Central Depository Company of Pakistan Limited - Trustee	3,436	4,366	1,175	1,542
Sindh Sales Tax on remuneration of the Trustee	447	568	153	201
Annual fees of Securities and Exchange Commission of Pakistan	915	1,163	312	410
Auditors' remuneration	546	458	165	150
Security and transaction cost	67	58	57	(0)
Marketing and selling expenses	3,161	6,458	2,356	0
Settlement and bank charges	401	546	130	138
Fees and subscriptions	398	584	139	127
Legal and professional charges	157	469	77	42
Shariah advisory fee	541	541	181	178
Printing and related costs	27	25	13	14
Total expenses	42,795	49,076	15,882	16,534
Net income from operating activities	620,563	445,313	218,969	179,818
Reversal against Sindh Workers' Welfare Fund	-	(24,787)	-	-
Net income for the period before taxation	620,563	470,100	218,969	179,818
Taxation	-	-	-	-
Net income for the period after taxation	620,563	470,100	218,969	179,818
Allocation of net income for the period:				
Net income for the year after taxation	620,563	470,100		
Income already paid on units redeemed	(218,366)	(98,185)		
	402,197	371,916		
Accounting income available for distribution				
Relating to capital gains	-	-		
Excluding capital gains	402,197	371,916		
	402,197	371,916		
Earnings per unit	11			

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	Nine Months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	620,563	470,100	218,969	179,818
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	620,563	470,100	218,969	179,818

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine Months ended March 31,					
	2023			2022		
	(Rupees in '000)					
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net assets at beginning of the period	4,747,853	35,522	4,783,375	5,542,585	32,531	5,575,116
Issue of 129,081,259 units (2022: 89,290,585 units):						
- Capital value (at net asset value per unit at the beginning of the period)	13,187,397	-	13,187,397	9,104,134	-	9,104,134
- Element of income	617,056	-	617,056	230,375	-	230,375
	13,804,453	-	13,804,453	9,334,509	-	9,334,509
Redemption of 123,711,981 units (2022:67,970,189 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(12,638,853)	-	(12,638,853)	(6,930,292)	-	(6,930,292)
- Element of income	(453,576)	(218,366)	(671,942)	(123,793)	(98,185)	(221,978)
	(13,092,429)	(218,366)	(13,310,795)	(7,054,085)	(98,185)	(7,152,270)
Total comprehensive income for the period	-	620,563	620,563	-	470,100	470,100
Net assets as at the end of the period	5,459,877	437,719	5,897,597	7,823,009	404,447	8,227,456
Undistributed income brought forward						
- Realised		37,763			17,785	
- Unrealised		(2,241)			14,747	
		35,522			32,531	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		402,197			371,916	
		402,197			371,916	
Undistributed income carried forward		437,719			404,447	
Undistributed income carried forward						
- Realised		437,719			404,447	
- Unrealised		-			-	
		437,719			404,447	
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the period		102.1635			101.9608	
Net assets value per unit as at end of the period		113.0023			108.2568	

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine Months ended March 31, March 31,	
	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	620,563	470,100
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution in value of investments classified as 'at fair value through profit or loss' - net	29,259	8,287
	649,822	478,387
Decrease / (Increase) in assets		
Investments	(457,605)	414,567
Profit receivable	(162,635)	(89,153)
Advances, deposits and prepayments	329,867	(369,059)
	(290,373)	(43,645)
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	4,211	3,368
Payable to Central Depository Company of Pakistan Limited - Trustee	(2)	101
Payable to Securities and Exchange Commission of Pakistan	(591)	(178)
Dividend payable	-	-
Payable against purchase of investments	(741,576)	(605,181)
Accrued expenses and other liabilities	6,126	(37,559)
	(731,833)	(639,449)
Net cash generated used in operating activities	(372,384)	(204,707)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	13,804,453	9,282,274
Payments on redemption of units	(13,310,795)	(7,100,034)
Net cash generated from financing activities	493,658	2,182,240
Net increase in cash and cash equivalents during the period	121,275	1,977,534
Cash and cash equivalents at beginning of the period	1,855,629	2,722,889
Cash and cash equivalents at end of the period	1,976,904	4,700,423

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Alhamra Islamic Income Fund (the Fund) was established under a trust deed executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company has been changed from MCB Asset Management Company Limited to MCB–Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 25, 2011 and was executed on March 7, 2011. According to the Trust Deed, the first accounting period of the Fund commenced from May 1, 2011 i.e. the date on which the trust property was first paid or transferred to the Trustee. The SECP has approved Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/MCBAHSIL/MCBIIIF/396/2017 dated January 25, 2017 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alhamra Islamic Income Fund. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained management quality rating of AM1 dated October 06, 2022 to the Management Company and AA-(f) as stability rating dated March 09, 2023 to the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

- 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, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 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.

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

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

			(Un-audited) March 31, 2023	(Audited) June 30, 2022
			---- (Rupees in '000) ----	
4	BANK BALANCES	Note		
	Savings accounts	4.1	1,947,984	1,834,486
	Current accounts	4.2	28,920	21,143
			1,976,904	1,855,629

- 4.1 These carry profit at the rates ranging between 6.48% to 17.5% (June 30, 2022: 6.55% to 15.51%) per annum and include Rs. 0.149 million (June 30, 2022: Rs. 1.803 million) maintained with MCB Islamic Bank Limited (a related party).
- 4.2 These include Rs. 23.52 million (June 30, 2022: Rs 21.115 million) maintained with MCB Bank Limited, a related party / connected person.

			(Un-audited) March 31, 2023	(Audited) June 30, 2022
			---- (Rupees in '000) ----	
5.	INVESTMENTS			
	Financial assets at fair value through profit or loss			
	Sukuk certificates- Unlisted	5.1	1,625,095	1,991,000
	Government of Pakistan (GoP) Ijara sukuks	5.2	1,471,483	980,163
	Term Deposit Receipts	5.3	555,000	252,069
			3,651,578	3,223,232

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

5.1 Sukuk certificates - Unlisted

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

Name of investee company	Number of certificates						As at March 31, 2023				Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 01, 2022	Purchased during the period	Matured during the period	Disposed off during the period	As at March 31, 2023	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of net assets				
	(Rupees in '000)												
Chemical													
Ghani Gases Limited	1,000	-	-	-	1,000	15,333	15,333	-	-	0.26	0.42		
Pharmaceutical													
Aspin Pharma (Private) Limited	2,033	-	-	-	2,033	31,381	30,680	(701)	-	0.52	0.84		
Power													
Pak Energy Sukuk * K-Electric	181,100 400	-	-	-	181,100 400	911,839	905,500	(6,339)	-	15.35	24.80		
Miscellaneous													
Meezan Sukuk (16-11-21) Pak Electron Limited	225	-	322	225	322	322,000	318,525	(3,475)	-	5.40	8.72		
Bank													
Meezan Bank Limited	355	-	-	-	355	365,849	355,057	(10,792)	-	6.02	9.72		
As at March 31, 2023						1,646,402	1,625,095	(21,307)					
As at June 30, 2022						1,991,943	1,991,000	(943)					

5.2 Government of Pakistan (GoP) Ijara sukuk

Name of investee company	Face Value						As at March 31, 2023				Market value as a percentage of net assets	Market value as a percentage of total investment	
	As at July 01, 2022	Purchased during the period	Matured / Sold during the period	Disposed off during the period	As at March 31, 2023	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of net assets				
	(Rupees in '000)												
GoP Ijarah Sukuks - 5 years													
GoP Ijarah Sukuks (May 29, 2020 - May 29, 2025)	110,000	-	-	-	110,000	110,025	108,988	(1,037)	-	1.06	1.71		
GoP Ijarah Sukuks (June 24, 2020 - June 24, 2025)	425,000	-	-	-	425,000	423,978	421,218	(2,761)	-	7.14	11.54		
GoP Ijarah Sukuks (July 29, 2020 - July 29, 2025)	63,000	-	-	-	63,000	62,762	62,622	(140)	-	1.06	1.71		
GoP Ijarah Sukuks (July 29, 2020 - July 29, 2025)	200,000	500,000	-	-	500,000	498,128	497,000	(1,128)	-	8.43	13.61		
GoP Ijarah Sukuks (Apr 27, 2022- Apr 27, 2027)	-	275,400	-	200,000	-	-	-	-	-	-	-		
GoP Ijarah Sukuks (Dec 15, 2021- Dec 15, 2026)	-	1,165,000	-	275,400	200,000	200,000	198,080	(1,920)	-	3.36	5.42		
GoP Ijarah Sukuks (Oct 26, 2022- Oct 26, 2027)	-	-	-	965,000	185,000	184,543	183,576	(967)	-	3.11	5.03		
GoP Ijarah Sukuks (Oct 06, 2021- Oct 06, 2026)	185,000	-	-	-	185,000	184,543	183,576	(967)	-	3.11	5.03		
As at March 31, 2023						1,479,435	1,471,483	(7,952)					
As at June 30, 2022						981,461	980,163	(1,298)					

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

5.3 Term Deposit Receipts

Particulars	Profit rate	Issue Date	Maturity Date	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
MCB Islamic Bank Limited	15.15%	August 24, 2022	August 24, 2023	555,000	555,000	9.41	15.20
As at March 31, 2023				<u>555,000</u>	<u>555,000</u>		
As at June 30, 2022				-	-		

5.4 Commercial Paper

Particulars	Issue Rating	Profit rate	Issue date	Maturity date	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
As at March 31, 2023					-	-		
As at June 30, 2022					<u>250,000</u>	<u>252,069</u>		

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

6 ADVANCE AGAINST IPO SUBSCRIPTION OF SUKUK

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

7 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY		(Un-audited) March 31, 2023	Audited June 30, 2022
Management remuneration payable	7.1	2,524	3,427
Sindh sales tax payable on management remuneration	7.2	328	445
Sales load payable		3,359	834
Back end load payable		353	-
Payable against shariah advisory fee		61	60
Payable against allocated expenses		492	495
Payable against marketing and selling expenses		2,355	-
		9,472	5,261

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

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

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited) March 31, 2023	(Audited) June 30, 2022
(Rupees in '000)			
Provision for Federal Excise Duty and related tax on			
- Management fee	8.1	8,639	8,639
- Sales load		3,028	3,028
Auditors' remuneration		502	421
Capital gain tax		2,256	12,707
Printing charges payable		35	40
Others		17,575	1,075
		32,036	25,910

8.1 Federal Excise Duty (FED) and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2023 would have been lower by Re. 0.224 per unit (June 30, 2022: Re.0.249 per unit).

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

9. CONTINGENCIES AND COMMITMENTS

9.1 As reported in the annual audited financial statements of the Fund for the year ended June 30, 2022, on December 17, 2020, the Federal Board of Revenue (FBR) issued an Order u/s 122 (5A) of the Income Tax Ordinance (ITO), 2001 for the Tax Year 2018 thereby raising a net tax demand of Rs. 41 million. The Management Company on behalf of the Fund filed appeal before Commissioner Inland Revenue –Appeals (CIRA) and has also obtained stay order from the Sindh High Court against the tax demanded by Commissioner in Assessment Order.

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

9.2 Commitments

There were no commitments as at March 31, 2023 (June 30, 2022 : Nil)

10. 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.

11. EARNINGS PER UNIT

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

12. TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 0.93% (March 31, 2022: 0.84%) and this includes 0.09% (March 31, 2022: 0.08%) representing Government Levy.

13. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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

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

Remuneration to the Management Company and Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed of the Fund.

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

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

For the Nine Months ended March 31, 2032 (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)							
Associated Companies / Undertakings:								
Mcb-Arif Habib Savings And Investments Limited	-	689,699	653,667	36,032	-	73,016	70,613	4,072
Adamjee Life Assurance Co. Ltd. Amaanat Fund	-	493,041	493,041	-	-	52,000	52,894	-
Adamjee Life Assurance Company Limited - Tameen	-	6,695,676	6,695,677	-	-	7,10,073	733,159	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	417,208	144,184	273,024	-	44,913	15,350	30,852
Arif Habib Securities Limited Employees Provident Fund Trust	87,441	-	14,147	73,294	8,933	-	1,500	8,282
Mcbfsl Trustee Alhamra Smart Portfolio	1,009,242	134,557	379,955	763,844	103,108	14,419	40,070	86,316
Adamjee Life Assurance Co. Ltd - Saman	-	14,541	14,541	-	-	1,530	1,591	-
Adamjee Life Assurance Co. Ltd Managed Growth Fund	-	8,609	8,609	-	-	895	896	-
Mandate Under Discretionary Portfolio Services	757	2,956,365	1,102,363	1,854,779	77	315,375	119,875	209,594
Key management personnel	126,373	356,357	438,601	44,129	12,911	38,794	47,482	4,987
* This reflects the position of related party / connected persons status as at March 31, 2023.								
For the Nine Months ended 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)							
Associated Companies:								
Adamjee Insurance Company Limited Window Takaful Operations	508,711	508,711	508,711	508,711	51,869	53,885	53,885	55,071
Adamjee Life Assurance Company Limited (Tameen)	-	8,368,132	7,611,107	757,025	-	880,000	810,000	81,953
Adamjee Life Assurance Co. Ltd -Mazaaf	-	1,194,735	1,194,735	-	-	125,000	125,819	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	177,940	4,767	182,707	-	18,143	500	18,767	-
Arif Habib Securities Limited Employees Provident Fund Trust	-	87,853	9,457	78,396	-	9,009	1,000	8,487
MCBFSL Trustee Alhamra Smart Portfolio	890,625	1,051,390	851,569	1,090,446	90,809	108,205	88,519	118,048
Mandate Under Discretionary Portfolio Services*	1,086,709	1,007,028	2,080,228	13,509	110,802	105,107	219,871	1,462
Key management personnel	59,539	348,634	355,737	52,436	6,071	36,408	37,248	5,677
Unit Holder holding 10% or more*	8,773,314	110,357	-	8,883,671	-	11,400	-	961,718
* 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 (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

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

	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	28,119	28,021
Shariah advisory fee	541	541
Allocated expenses	4,582	5,821
Marketing and selling expenses	3,161	6,458
MCB Bank Limited - Parent of the Management Company		
Bank charges	117	176
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Profit on bank balances	12,787	20
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	3,883	4,934
CDC settlement charges	3	66

13.3 Amount outstanding as at period / year end

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
MCB - Arif Habib Savings & Investment Limited - Management Company		
Management remuneration payable	2,524	3,427
Sindh sales tax payable on management remuneration	328	445
Sale load payable	3,359	834
Back End Load Payable	353	-
Payable against Shariah advisory fee	61	60
Payable against allocated expenses	492	495
Marketing and selling expense payable	2,355	-
MCB Bank Limited - Parent of the Management Company		
Bank deposit	24,401	21,556
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Bank balances	149	704
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	369	371
Sindh Sales tax payable on remuneration of Trustee	48	48
Security deposits	100	100

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

14 CORRESPONDING FIGURES

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

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was 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