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INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of Alhamra Islamic Money Market Fund Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Alhamra Islamic Money Market Fund** (the Fund) as at **31 December 2021**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2021.

Scope of Review

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

Conclusion

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

Other matter

The condensed interim financial statements for the half year ended 31 December 2020 and the annual financial statements for the year ended 30 June 2021 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 18 February 2021 and audit report dated 22 September 2021 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

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

Chartered Accountants

Date:

Karachi

ALHAMRA ISLAMIC MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		------- (Rupees in '000) ------	
ASSETS			
Bank balances	4	**11,788,120**	7,092,512
Investments	5	**1,722,917**	8,122,692
Mark-up receivable on investments and bank balances		**109,959**	64,162
Advances and deposits		**1,482**	4,214
Receivable from Management Company		**-**	1,844
Total assets		**13,622,478**	15,285,424
LIABILITIES			
Payable to Management Company		**848**	60
Payable to Digital Custodian Company - Trustee	8	**911**	818
Payable to the Securities and Exchange Commission of Pakistan	9	**1,557**	1,211
Dividend payable		**3,827**	5,033
Accrued expenses and other liabilities	10	**5,607**	20,672
Total liabilities		**12,750**	27,794
CONTINGENCIES AND COMMITMENTS	11		
NET ASSETS		**13,609,728**	15,257,630
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**13,609,728**	15,257,630
		-------(Number of Units)------	
NUMBER OF UNITS IN ISSUE		**136,767,440**	153,327,608
		--------------- (Rupees) ------------	
NET ASSET VALUE PER UNIT		**99.5100**	99.5100

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

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

Chief Executive Officer	**Chief Financial Officer**	**Director**

ALHAMRA ISLAMIC MONEY MARKET FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
		----------------- (Rupees in '000) -----------------			
INCOME					
Markup on investments		**221,431**	3,920	**89,457**	3,295
Loss on sale of investments classified as 'at fair value through profit or loss' - net		**(70)**	(1,922)	**(70)**	-
Markup on bank deposit		**371,196**	20,925	**211,549**	17,179
Other income		**-**	25	**-**	-
Total income		**592,557**	22,948	**300,936**	20,474
EXPENSES					
Remuneration of the Management Company		**10,016**	266	**3,825**	150
Sindh Sales Tax on remuneration of the Management Company		**1,302**	34	**497**	19
Allocated expenses	6	**142**	21	**-**	-
Selling and marketing expenses	7	**3,554**	165	**-**	-
Remuneration of Digital Custodian Company - Trustee	8	**4,769**	78	**2,365**	10
Sindh Sales Tax on remuneration of trustee		**620**	10	**307**	1
Annual fee of Securities and Exchange Commission of Pakistan	9	**1,467**	7	**727**	3
(Reversal) / provision against Sindh Workers' Welfare Fund		**(10,909)**	442	**-**	405
Auditors' remuneration		**321**	85	**183**	-
Amortization of preliminary expenses and formation costs		**-**	20	**-**	-
Securities transaction cost		**-**	18	**-**	-
Charity expense		**274**	-	**274**	-
Legal and professional charges		**467**	30	**35**	-
Settlement and bank charges		**534**	38	**417**	2
Shahriah fee		**338**	-	**176**	-
Fees and subscriptions		**202**	38	**138**	-
Printing and related costs		**29**	14	**7**	-
Total expenses		**13,126**	1,266	**8,951**	590
Net income for the period before taxation		**579,431**	21,682	**291,985**	19,884
Taxation	13	**-**	-	**-**	-
Net income for the period		**579,431**	21,682	**291,985**	19,884
Earnings per unit	14				
Allocation of net income for the period after taxation					
Net income for the period		**579,431**	21,682		
Income already paid on units redeemed		**-**	(5,309)		
		579,431	16,373		
Accounting income available for distribution:					
- Relating to capital gains		**-**	-		
- Excluding capital gains		**579,431**	16,373		
		579,431	16,373		

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

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

Chief Executive Officer	Chief Financial Officer	Director

ALHAMRA ISLAMIC MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	------------------ (Rupees in '000) ------------------			
Net income for the period	**579,431**	21,682	291,985	19,884
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**579,431**	21,682	**291,985**	19,884

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

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

Chief Executive Officer | **Chief Financial Officer** | **Director**

ALHAMRA ISLAMIC MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	15,252,938	4,692	15,257,630	147,651	4,692	152,343
Issue of 86,230,508 units (2020: 129,075,753 units)						
- Capital value	8,580,798	-	8,580,798	12,844,328	-	12,844,328
- Element of income	-	-	-	6,275	-	6,275
Total proceeds on issuance of units	8,580,798	-	8,580,798	12,850,603	-	12,850,603
Redemption of 102,790,676 units (2020: 89,376,653 units)						
- Capital value	(10,228,700)	-	(10,228,700)	(8,893,871)	-	(8,893,871)
- Amount paid out of element of income	-	-	-	(5,783)	(5,309)	(11,092)
Total payments on redemption of units	(10,228,700)	-	(10,228,700)	(8,899,654)	(5,309)	(8,904,963)
Total comprehensive income for the period	-	579,431	579,431	-	21,682	21,682
Distribution made during the period (Note 17)	-	(579,431)	(579,431)	(492)	(16,373)	(16,865)
Net (loss) / income for the period less distribution	-	-	-	(492)	5,309	4,817
Net assets as at the end of the period	13,605,036	4,692	13,609,728	4,098,108	4,692	4,102,800

	2021	2020
Undistributed income brought forward		
- Realized income at the beginning of the period	4,692	4,321
- Unrealized income at the beginning of the period	-	371
	4,692	4,692
Accounting income available for distribution		
- Relating to capital gains	-	-
- Relating to other than capital gains	579,431	16,373
	579,431	16,373
Distributions during the period	(579,431)	(16,373)
Undistributed income carried forward	4,692	4,692
Undistributed income carried forward		
- Realised	4,692	4,692
- Unrealised	-	-
	4,692	4,692
	(Rupees)	(Rupees)
Net assets value per unit at beginning of the period	99.5100	99.5100
Net assets value per unit at end of the period	99.5100	99.5100

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

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

Chief Executive Officer	**Chief Financial Officer**	**Director**

ALHAMRA ISLAMIC MONEY MARKET FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Half year ended December 31,	
		2021	2020
	Note	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**579,431**	21,682
Adjustments for non cash and other items:			
Markup on investment and bank balances		**(592,627)**	(24,845)
Loss on sale of investments classified as 'at fair value through profit or loss' - net		**70**	1,922
(Reversal) / provision for Sindh Workers' Welfare Fund		**(10,909)**	442
		(24,035)	(799)
Decrease / (increase) in assets			
Investments		**6,399,705**	(355,079)
Advances and deposits		**2,732**	71
Preliminary expenses and floatation costs		**-**	54
Receivable from Management Company		**1,844**	5,180
		6,404,281	(349,774)
(Decrease) / increase in liabilities			
Payable to Management Company		**788**	(286)
Payable to Digital Custodian Company - Trustee		**93**	(44)
Payable to the Securities and Exchange Commission of Pakistan		**346**	(29)
Dividend payable		**(1,206)**	1,201
Accrued expenses and other liabilities		**(4,156)**	(326)
		(4,135)	517
Markup received		**546,830**	16,339
Net cash generated from / (used) in operating activities		**6,922,941**	(333,717)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		**8,580,798**	12,850,111
Amount paid on redemption of units		**(10,228,700)**	(8,904,963)
Distribution during the period		**(579,431)**	(16,373)
Net cash (used) in / generated from financing activities		**(2,227,333)**	3,928,775
Net decrease in cash and cash equivalents during the period		**4,695,608**	3,595,058
Cash and cash equivalents at the beginning of the period		**7,092,512**	43,747
Cash and cash equivalents at the end of the period	4	**11,788,120**	3,638,805

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

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

Chief Executive Officer	**Chief Financial Officer**	**Director**

ALHAMRA ISLAMIC MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company and stability rating of "AA(f)' dated September 09, 2021 to the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2021.

2.3 In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.

2.4 These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

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

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

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	January 01, 2022

Standards, interpretations and amendments	Effective date
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
IFRS 17 - Insurance Contracts	January 01, 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 1 - First-time Adoption of International Financial Reporting Standards - Subsidiary as first time adaptor	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

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

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

3.4 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2021.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		------- (Rupees in '000) ------	
4. BANK BALANCES			
Profit and loss sharing accounts	4.1	**11,788,120**	7,092,512
		11,788,120	7,092,512

4.1 These carry mark-up rates ranging from 7.25% to 10.75% (June 30, 2021: 5.5% to 6.93%) per annum. These balances include Rs.13.793 million (June 30, 2021: Rs.1.904 million) maintained with MCB Bank Limited (a related party). The PLS accounts are held with Islamic Banks / Islamic window of the conventional bank.

5 INVESTMENTS

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		------- (Rupees in '000) ------	
At fair value through profit or loss			
Sukuk certificates - unlisted	5.1.1	**406,000**	352,000
Commercial papers	5.1.2	**1,316,917**	1,278,407
Bai Muajjal	5.1.3	-	3,892,285
Term Deposit Receipts	5.1.4	-	2,600,000
Total		**1,722,917**	8,122,692

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

5.1.1 Sukuk Certificates - Unlisted

Name of investee company	Note	As at July 01, 2021	Purchased during the period	Disposed / matured during the period	As at December 31, 2021	As at December 31, 2021: Carrying value	Market value	Unrealised appreciation/ (diminution)	Market value: As percentage of net assets	As percentage of total investments	Investment as a percentage of total issue size
		---- (Number of certificates) ----				---- (Rupees in '000) ----			---- (%) ----		
Hub Power Company Limited - Sukuk		352	-	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk		-	352	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk		-	352	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk		-	352	352	-	-	-	-	-	-	-
Hub Power Company Limited - Sukuk	5.1.1.1	-	406	-	406	406,000	406,000	-	2.98%	23.56%	9.02%
Total as at December 31, 2021 (Un-audited)						**406,000**	**406,000**	**-**			
Total as at June 30, 2021 (Audited)						352,000	352,000	-			

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

5.1.1.1 The terms and conditions of sukuk certificates outstanding as at December 31, 2021 are as follows:

Name of investee company	Rating	Tenure	Markup payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Hub Power Company Limited - Sukuk	AA+	6 Months	On maturity	Unsecured	2-Nov-21	2-May-22	6 months KIBOR (8.71%) + 0.8% {9.51%}

5.1.2 Commercial papers

Name of investee company	As at July 01, 2021	Purchased during the period	Disposed / matured during the period	As at December 31, 2021	As at December 31, 2021: Carrying value before revaluation	As at December 31, 2021: Market value (Revised carrying value)	As at December 31, 2021: Unrealised appreciation/ (diminution)	Market value: As percentage of net assets	Market value: As percentage of total investments	Investment as a percentage of total issue size
	(Number of certificates)				(Rupees in '000)			(%)		
K Electric ICP 14	675	-	675	-	-	-	-	-	-	-
K Electric ICP 15	200	400	600	-	-	-	-	-	-	-
K Electric ICP 16	170	340	510	-	-	-	-	-	-	-
K Electric ICP 17	250	500	750	-	-	-	-	-	-	-
K Electric ICP 21	-	675	-	675	663,329	663,329	-	5%	39%	19%
K Electric ICP 23	-	400	-	400	387,881	387,881	-	3%	23%	11%
K Electric ICP 24	-	275	-	275	265,707	265,707	-	2%	15%	8%
Total as at December 31, 2021 (Un-audited)	**1,295**	**2,590**	**2,535**	**1,350**	**1,316,917**	**1,316,917**	**-**			
Total as at June 30, 2021 (Audited)				1,295	1,278,407	1,278,407	-			

Face value of these commercial papers are Rs.1,000,000 per certificate.

5.1.2.1 The terms and conditions of commercial papers outstanding as at December 31, 2021 are as follows:

Description - Commercial Papers	Issue Date	Maturity Date	Term	Mark-up rate	Total Face Value (maturity value)
					(Rupees in '000')
K Electric ICP 21	22-Sep-21	2-Mar-22	6 months	8.210%	675,000
K Electric ICP 23	4-Nov-21	4-May-22	6 months	9.410%	400,000
K Electric ICP 24	16-Nov-21	16-May-22	6 months	9.570%	275,000
					1,350,000

5.1.3 Bai Muajjal

Description	As at July 01, 2021	Transaction executed during the period	Mark-up accrued during the period	Matured during the period	Carrying Value as at December 31, 2021	Carrying value as a percentage of net assets of Fund	Carrying value as a percentage of total investments
	(Rupees in '000)					(%)	
Total as at December 31, 2021 (Un-audited)	**3,892,285**	**2,328,321**	**-**	**6,220,606**	**-**	-	-
Total as at June 30, 2021 (Audited)	-	5,468,061	40,014	1,615,790	3,892,285		

5.1.4 Term deposit receipts

Name of the investee company	Rate of return per annum	Maturity	Rating	As at July 01, 2021	Purchased during the period	Matured / Sold during the period	As at December 31, 2021
				Face value			
				(Rupees in '000')			
Faysal Bank Limited	7.25%	July 12, 2021	AA	**1,300,000**	-	**1,300,000**	-
Askari Bank Limited	7.05%	September 14, 2021	AA+	**1,300,000**	-	**1,300,000**	-
Faysal Bank Limited	7.75%	October 6, 2021	AA	-	**1,700,000**	**1,700,000**	-
Askari Bank Limited	6.85%	September 23, 2021	AA+	-	**1,700,000**	**1,700,000**	-
Faysal Bank Limited	7.75%	January 6, 2022	AA	-	**1,350,000**	**1,350,000**	-
Meezan Bank Limited	7.40%	November 29, 2021	AAA	-	**1,300,000**	**1,300,000**	-
Faysal Bank Limited	8.50%	December 2, 2021	AA	-	**1,350,000**	**1,350,000**	-
Askari Bank Limited	7.30%	December 23, 2021	AA+	-	**1,675,000**	**1,675,000**	-
Total as at December 31, 2021 (Un-audited)				**2,600,000**	**9,075,000**	**11,675,000**	**-**
Total as at June 30, 2021 (Audited)				-	2,600,000	-	2,600,000

6. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Moreover, the SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has allocated the expenses to the Fund from August 13, 2021 to August 15, 2021 only, subject to the actual expense not being higher than the allocated expenses.

7. SELLING AND MARKETING EXPENSES

The Management Company has charged actual expenses to the extent as it has think expedient as per SECP circular 11 dated July 05, 2019. The selling and marketing expenses have also been charged from August 13, 2021 to August 15, 2021.

8. PAYABLE TO DIGITAL CUSTODIAN COMPANY - TRUSTEE

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

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

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (June 30, 2021: 0.02%) of the average daily net assets of the Fund.

During the year SECP fee was borne by the Fund from July 12, 2021 to December 31, 2021.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		------- (Rupees in '000) ------	
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	10.1	-	10,909
Provision for Federal Excise Duty:	10.2		
- Management fee		**841**	841
- Sales load		**3,625**	3,625
Brokerage payable		**18**	18
Auditors' remuneration payable		**313**	386
Donation payable		**274**	277
WHT payable on dividend paid (subsequently paid)		-	4,536
Others		**536**	80
		5,607	20,671

10.1 Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contribute ions. This development was discussed at MUFAP level and was also been taken up with the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

10.2 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty (FED), as reported in note 11.2 to the annual financial statements of the Fund for the year ended June 30, 2021.Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2021 would have been higher by Re.0.03 (2021: Re.0.03) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2021 and June 30, 2021.

12. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 0.30% as on December 31, 2021 (December 31, 2020: 0.34%) and this includes 0.04% (December 31, 2020: 0.2%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee.

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the period ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

14. EARNINGS PER UNIT

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

15. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

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

	For the half year ended December 31, 2020									
	As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at December 31, 2020	As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at December 31, 2020
	(Units)					(Rupees in '000)				
Associated company										
MCB Arif Habib savings and Investments Limited - 8.2% of the units as at the period end	-	16,481,322		13,113,807	3,367,515	-	1,640,543		1,305,408	335,101
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	198,378		198,378	-	-	19,741		19,741	-
Adamjee Insurance Company Limited - Employees Provident Fund	-	396,424		396,424	-	-	39,448		39,448	-
Adamjee Life Assurance Company Limited Tameem	-	1,158,878		1,158,878	-	-	115,320		115,320	-
Key management personnel	-	326,627		326,627	-	-	32,455		32,565	-
Unitholders holding 10% or more	-	15,129,094	-	-	15,129,094	-	1,505,496	-	-	1,505,496
Mandate under discretionary portfolio services	-	83,795,399	-	69,209,285	14,586,113	-	8,344,646	-	6,897,575	1,451,318

15.2 Details of transactions with related parties / connected persons during the period	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
	(Rupees in '000)	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	11,318	300
Marketing and selling expense	3,554	165
Allocated expenses	142	21
Dividend distribution	-	994
Shahriah fee	338	176
Digital Custodian Company - Trustee		
Remuneration of Digital Custodian Company - Trustee	4,769	78
Sindh sales tax on remuneration of the Trustee	620	10
MCB Bank Limited - Parent of the Management Company		
Profit on bank deposits	-	87
Bank charges	14	-

15.3 Details of balances with related parties / connected persons as at period end	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	698	-
Sindh sales tax payable on management remuneration	91	-
Shahriah fee payable	60	60
Receivable from Management Company	-	1,844
Digital Custodian Company - Trustee		
Remuneration of Digital Custodian Company - Trustee	805	724
Sindh sales tax payable on Trustee remuneration	106	94
MCB Bank Limited - Parent of the Management Company		
Bank balances	13,794	1,904

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------			
December 31, 2021 (Un-audited)				
Sukkuk - Unlisted				
Commercial paper	-	**406,000**	-	**406,000**
	-	**1,316,917**	-	**1,316,917**
	-	**1,722,917**	-	**1,722,917**
June 30, 2021 (Audited)				
Sukkuk - Unlisted	-	352,000	-	352,000
Commercial paper	-	1,278,407	-	1,278,407
	-	1,630,407	-	1,630,407

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

During the year ended December 31, 2021, there were no transfers between levels fair value measurements, and no transfer into and out of level 3 fair value measurements.

17. INTERIM DISTRIBUTIONS

The Fund makes distribution on daily basis as per clause 5.1 of the Offering Document. During the period, the Management Company on behalf of the Fund, have distributed net profit amounting to Rs. 579.431 million as dividend and that dividend has been re-invested after deducting applicable taxes.

18. GENERAL

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

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

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on ____________________ by the Board of Directors of the Management Company.

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

Chief Executive Officer	**Chief Financial Officer**	**Director**