

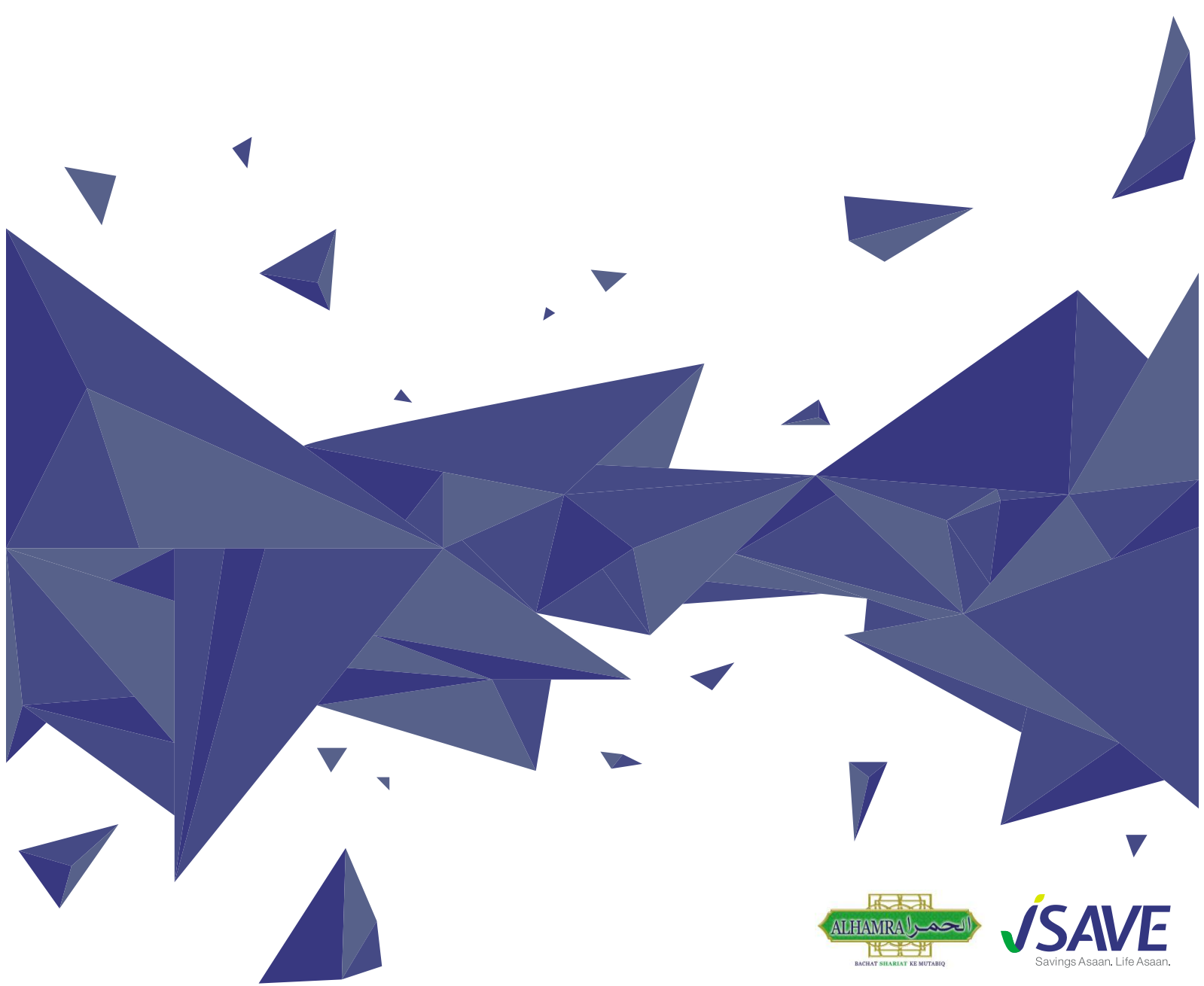


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2022
(UNAUDITED)

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



ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

TABLE OF CONTENTS

1	Fund's Information	348
2	Report of the Directors of the Management Company	349
3	Trustee Report to the Unit Holders	356
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	357
5	Condensed Interim Statement of Assets And Liabilities	358
6	Condensed Interim Income Statement (Un-audited)	359
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	360
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	361
9	Condensed Interim Cash Flow Statement (Un-audited)	362
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	363

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

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Smart Portfolio** accounts review for the half year ended December 31, 2022 (Fund launched on June 11, 2021).

ECONOMY AND MONEY MARKET REVIEW

The macroeconomic landscape continued to remain challenging. The economy was jolted with the worst floods in more than a decade, which caused severe damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. Earlier, elevated commodity prices due to pent up demand post covid restrictions saw another upward push due to escalation of Russia-Ukraine conflict.

SBP foreign exchange reserves have fallen to critically low levels of USD 3.2 billion (import cover of less than 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Due to tough impact on vast majority of poor population, government has been reluctant to agree to harsh steps which are pre-condition to IMF loans such as increasing electricity, gas and petrol prices. Unlocking IMF funding however remains critical as the delay in the IMF program is leading to a slowdown in foreign flows from bilateral and multilateral partners.

The country posted a current account deficit (CAD) of USD 3.1 billion in first five months of the fiscal year 2023 (5MFY23) declining by 57% YoY compared to a deficit of USD 7.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 2.0% decrease in exports coupled with 16.2% drop in imports led to 26% contraction in trade deficit. The government initially kept a lid on imports through administrative measures such as imposing import quotas on selective imports. These import restrictions helped the Rupee gain some strength against the USD, from a low of 240 in July 2022 to PKR 226.4 at December 2022 end.

Headline inflation represented by CPI averaged 25.0% during the half as compared to 9.8% in the corresponding period last year. Higher food prices as an aftermath of floods coupled with higher electricity tariff and rising petroleum prices were the major contributors towards rising CPI. The inflationary pressures were broad based which is depicted by core inflation increasing to 16.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 16.0% in the latest monetary policy held in November 2022. On the fiscal side, FBR tax collection increased by 17.0% in 1HFY23 to PKR 3,428 billion compared to PKR 2,929 billion in the same period last year. This missed the target by 218 billion.

Secondary markets yields increased in the half on account of monetary tightening and an additional bout of inflationary pressures post floods. The 3,6 and 12 Month T-Bills yield increased by 171, 184 and 170 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 219,168 and 78bps respectively during 1HFY23.

EQUITY MARKET REVIEW

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

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

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

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

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

FUND PERFORMANCE

During the period under review, the fund posted a return of 3.72% against 1.87% for the benchmark. The fund was 6.30% invested in Cash, 23.60% in Alhamra Islamic Stock Fund and 70% in Alhamra Islamic Income Fund as at December 31, 2022.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 112 million as compared to Rs. 145 million as at June 30, 2022 registering a decrease of 22.75%.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 103.8887 as compared to opening NAV of Rs. 100.1599 per unit as at June 30, 2022 an increase of Rs. 3.7288 per unit.

ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.6% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.8% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 3.1%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 18% YoY to USD 59 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 6.8 billion (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

The successful resumption of IMF program will unlock funding from bilateral and multilateral sources. The aid commitment by multilateral agencies in the aftermath of floods should lend support to foreign inflows. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account in the medium term to stave off external concerns.

The rupee has recovered from its recent low due to continuous drain in forex reserves encouraging spreads in Interbank and open market to widen significantly. We believe that restoring a market based exchange rate would bring equilibrium by incentivizing exports and remittances and discouraging imports. Thus we expect USD/PKR to close at 251 by fiscal year end on an assumed REER of 90.

We expect Average FY23 inflation to clock at 24.8% compared to 12.1% in FY22. We foresee the second round impact of the currency devaluation and expected increase in petroleum, electricity and gas prices, which will keep inflation numbers elevated for remainder of the year. SBP has increased the policy rate to 16.0% to cool aggregate demand and deescalate inflationary pressures. Given the significant economic challenges, we do not rule out a scenario where SBP further increases interest rates in the next monetary policy. We expect monetary easing cycle to begin in second half of CY23 where decline in inflation can provide some breather.

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.

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

Market cap to GDP ratio has declined to 9.1%, a discount of 55% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 7.1%, compared to historical average of 2.7% signifying deep discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. However, we do not see this potential translating into gains, unless issues on the external fronts are dealt with. The market is currently trading at PER of 4.8x, while offering a dividend yield of 11.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual funds industry increased by about 26.1% during 1HFY23 to PKR 1,531 billion. Total money market funds grew by about 34.2% since June 2022. Within the money market sphere, the conventional funds showed a growth of 19.8% to PKR 535 billion while Islamic funds increased by 62.7% to PKR 367 billion. In addition, the total fixed Income funds increased by about 24.1% since June 2022 to PKR 370 billion. Equity and related funds declined by 13.3% as market witnessed a drop in 1HFY23, eroding AUMs as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 58.9%, followed by Income funds with 24.2% and Equity and Equity related funds having a share of 13.0% as at the end of 1HFY23.

MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

ACKNOWLEDGEMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
February 03, 2023



Nasim Beg
Director / Vice Chairman

ڈائریکٹر رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے خالص اثاثہ جات مالی سال 2023ء کے نصف اول کے دوران تقریباً 26.1 فیصد بڑھ کر 1,531 بلین روپے ہو گئے۔ مجموعی منی مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 34.2 فیصد اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 19.8 فیصد بڑھ کر 535 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 62.7 فیصد بڑھ کر 367 بلین روپے ہو گئے۔ مزید براں، مجموعی فکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.1 فیصد بڑھ کر 370 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 13.3 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کے نصف اول میں مارکیٹ میں انحطاط اور اثاثہ جات تحت الانظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔ شعبہ جاتی اعتبار سے مالی سال 2023ء کے نصف اول کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.9 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 24.2 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 13.0 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمدورفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعا 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 المیعا سرمایہ کاران پرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو 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، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کے مسلسل تعاون اور حمایت کے لیے شکر گزار ہے۔ نیز، ڈائریکٹر انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹر

نسیم بیگ
ڈائریکٹر / وائس چیئرمین

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر

03 فروری 2023ء

توقع ہے کہ مالی سال 2023ء میں کرنٹ اکاؤنٹ خسارہ (CAD) کم ہو کر 6.8 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں ایک بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیابی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ سیلاب کی تباہ کاریوں کے ضمن میں کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمداتی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ وقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سٹاک جاری کریں۔ ایف ڈی آئی اور آر ڈی اے سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہی ہیں گی۔ چنانچہ ہمیں درمیانی مدت میں قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

غیر ملکی زرمبادلہ کے ذخائر میں مسلسل کمی کی وجہ سے روپیہ اپنی حالیہ کم ترین سطح سے بحال ہوا ہے جس سے انٹربینک اور اوپن مارکیٹ میں فرق کو نمایاں طور پر وسیع کرنے کی حوصلہ افزائی ہوئی ہے۔ ہم سمجھتے ہیں کہ مارکیٹ پر مبنی شرح زرمبادلہ سے توازن پیدا ہوگا کیونکہ برآمدات اور ترسیلات زر میں ترغیبات پیدا ہوں گی اور درآمدات کی حوصلہ شکنی ہوگی۔ چنانچہ ہماری توقع ہے کہ 90 کے مفروضہ REER پر مالی سال کے اختتام پر ڈالر/روپیہ تقریباً 251 روپے پر ہوگا۔

مالی سال 2023ء میں اوسط مہنگائی 24.8 فیصد متوقع ہے، بالمقابل مالی سال 2022ء میں 12.1 فیصد کے۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور، اور پٹرول، بجلی اور گیس کی قیمتوں میں اضافہ بھی متوقع ہے، جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ ایس بی پی نے پالیسی شرح کو بڑھا کر 16.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں قابل ذکر منسبت روی اور مانگ میں کمی کے باعث اس بات کا امکان خارج از بحث نہیں ہے کہ ایس بی پی اگلی مانیٹری پالیسی میں شروع سود میں مزید اضافہ کرے۔ ہمیں اُمید ہے کہ مالی سال 2023ء کی دوسری ششماہی میں مالیاتی تسہیل کا دور شروع ہوگا، اور مہنگائی میں کمی سے حالات میں بہتری آئے گی۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ کی قدر کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.1 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 7.1 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اصل قدر کے مقابلے میں بہت کم پر فروخت ہو رہی ہیں۔ تاہم ہمیں نہیں لگتا کہ خارجی جہات کے مسائل سے نمٹے بغیر اس استعداد سے منافع حاصل ہوں گے۔ موجودہ حالات پر مارکیٹ میں 4.8x PER پر تجارت چل رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 11.2 فیصد پر ہے۔

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

ایکویٹی مارکیٹ کا جائزہ

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

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

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 3.72 فیصد تھا، جبکہ مقررہ معیار کا منافع 1.87 فیصد تھا۔ 31 دسمبر 2022ء تک فنڈ میں 6.30 فیصد نقد رقم اور 23.60 فیصد الحمر اسلامک اسٹاک فنڈ اور 70 فیصد الحمر اسلامک انکم فنڈ میں سرمایہ کاری کی گئی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 112 ملین روپے تھے جو 30 جون 2022ء کی سطح 145 ملین روپے کے مقابلے میں 22.75 فیصد کی کمی ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 103.8887 روپے تھی جو 30 جون 2022ء کو ابتداً اثاثہ جاتی قدر (NAV) فی یونٹ 100.1599 روپے فی یونٹ کے مقابلے میں 3.7288 روپے فی یونٹ اضافہ ہے

معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.6 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت سنست روی کا شکار ہو جائے گی۔ سیلاب کی تباہ کاریوں کے ضمن میں کپاس اور چاول کی فصلوں کے ضیاع کے باعث زراعت کی ترقی متاثر ہو کر 0.4 فیصد ہو جائے گی جبکہ صنعتی ترقی 6.8- فیصد متوقع ہے جس کی وجہ مانگ میں سنست روی اور خام مال کی قلت ہیں۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس کے باعث خدمات کے شعبے کی ترقی کم ہو کر 3.1 فیصد ہو جائے گی۔

ہم حکومت سے توقع کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 18 فیصد YoY کم ہو کر 59 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سنکڑ جائیں گے۔ چنانچہ ہمیں

بورڈ آف ڈائریکٹرز کی جانب سے الحمد اسمارٹ پورٹ فولیو کے اکاؤنٹس مختتمہ 31 دسمبر 2022ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

ملک کا مجموعی معاشیاتی منظر بدستور ناخوشگوار رہا۔ معیشت گزشتہ دہائی سے زیادہ کے بدترین سیلاب کے باعث شدید متاثر ہوئی جس سے انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ اس سے قبل، کووڈ پابندیوں کے بعد اجناس کی بڑھتی ہوئی مانگ کی وجہ سے اشیاء کی قیمتوں میں روس۔ یوکرین کے تنازعہ کی وجہ سے مزید اضافہ دیکھا گیا۔

ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 3.2 بلین ڈالر ہو گئے ہیں (جو صرف تین ہفتوں کا درآمداتی ادائیگیوں کو پورا کر سکتے ہیں) بالمقابل مالی سال کے آغاز پر جو 9.8 بلین ڈالر تھے۔ غریب آبادی کی اکثریت پر کڑے اثرات کی وجہ سے حکومت سخت اقدامات پر راضی ہونے سے گریزاں ہے جو آئی ایم ایف کے قرضوں کی پیشگی شرط ہیں جیسے بجلی، گیس اور پیٹرول کی قیمتوں میں اضافہ۔ تاہم آئی ایم ایف کی فنڈنگ کو غیر مقفل کرنا بہت اہم ہے کیونکہ آئی ایم ایف پروگرام میں تاخیر دو طرفہ اور کثیر جہتی شراکت داروں سے غیر ملکی بہاؤ میں سست روی کا باعث بن رہی ہے۔

ملک نے مالی سال 2023 کے پہلے پانچ ماہ میں 3.1 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو 57 سال در سال کم تھا، بالمقابل گزشتہ سال مماثل مدت میں 7.2 بلین ڈالر تجارتی خسارے میں کمی کرنٹ اکاؤنٹ خسارے (CAD) میں بہتری کا اہم ترین سبب تھی کیونکہ برآمدات میں 2 فیصد کمی کے ساتھ ساتھ درآمدات میں 16.2 فیصد کمی کے نتیجے میں تجارتی خسارہ 26 فیصد سکڑ گیا۔ حکومت نے انتظامی اقدامات مثلاً منتخب اشیاء پر درآمداتی کوٹے عائد کرنے کے ذریعے درآمدات کو قابو میں رکھا۔ ان درآمداتی پابندیوں سے روپے کو بمقابلہ ڈالر کچھ تقویت حاصل ہوئی اور روپے کی قدر جولائی 2022ء میں 240 کی پست سطح سے اٹھ کر دسمبر 2022ء کے اختتام تک 226.4 ہو گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط دورانِ ششماہی 25.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 9.8 فیصد تھا۔ سیلابوں کے نتیجے میں اشیاء خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پیٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار بنیادی افراط زر (core inflation) میں 16.4 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے نومبر 2022ء کی تازہ ترین ماہی پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 16.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی ششماہی میں 17.0 فیصد اضافہ ہوا اور 3,428 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل مدت میں 2,929 بلین روپے تھا۔ اس طرح ہدف سے 218 بلین روپے کم ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دورانِ ششماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دورانِ ششماہی 3، 6 اور 12 ماہانہ ٹی۔ بیلز کے منافع جات میں بالترتیب 171، 184 اور 170 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 168، 219 اور 78 بی پی ایس کا اضافہ ہوا۔

TRUSTEE REPORT TO THE UNIT HOLDERS



#MonetizeYourAssets

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

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

Al-Hamra Islamic Active Allocation Fund, an open-end Scheme established under a Trust Deed executed between MCB Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Company Limited as Trustee on November 25, 2016. The scheme was approved by Securities & Exchange Commission of Pakistan on December 02, 2016.

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

Faisal Amin
Authorize Signatory
Digital Custodian Company Limited

Karachi: February 23, 2023

ONLINE

+923-111-322-228

digitalcustodian.co

digitalcustodian

LAHORE

LSE Plaza, 508

Kashmir Egerton Road

+92 42 3630 4406

KARACHI

Perdesi House

Old Queens Road

+92 21 3241 9770

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



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

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

To the Unit holders of Alhamra Islamic Active Allocation Fund

Report on Review of Interim Financial Statements

Introduction

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

Scope of Review

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

Conclusion

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

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

Chartered Accountants

Date: 16 February 2023

Place: Karachi

UDIN Number: RR202210076UDtsxyfS

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

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Alhamra Smart Portfolio	Alhamra Smart Portfolio
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	7,160	7,532
Investments	5	105,594	138,320
Mark-up receivable		74	69
Total assets		112,828	145,921
LIABILITIES			
Payable to the Management Company		18	21
Payable to the Trustee		24	24
Payable to the Securities and Exchange Commission of Pakistan (SECP)	6	13	34
Accrued expenses and other liabilities	7	351	433
Total liabilities		406	512
NET ASSETS		112,422	145,409
UNIT HOLDERS' FUND (as per statement attached)		112,422	145,409
Contingencies and commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		1,082,141	1,451,767
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		103.8887	100.1599

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

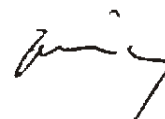
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

		Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Alhamra Smart Portfolio		Alhamra Smart Portfolio	
Note		(Rupees in '000)			
INCOME					
		1,246	336	232	227
	5.1	3,895	1,416	1,604	2,406
		428	271	214	142
	Total income	5,569	2,023	2,050	2,775
EXPENSES					
		43	27	22	14
		6	4	3	2
		126	126	63	63
		16	16	8	8
	6	13	18	6	9
	9	65	90	29	45
		263	277	145	166
		14	55	(6)	30
		-	5	-	-
		13	-	7	-
		81	13	14	5
	Total expenses	640	631	291	342
	Net income for the period before taxation	4,929	1,392	1,759	2,433
	Taxation	-	-	-	-
	Net income for the period	4,929	1,392	1,759	2,433
<i>Allocation of net income for the period:</i>					
	Net income for the period	4,929	1,392		
	Income already paid on units redeemed	(956)	-		
		3,973	1,392		
<i>Accounting income available for distribution:</i>					
	- Relating to capital gains	3,973	1,392		
	- Excluding capital gains	-	-		
		3,973	1,392		

Earnings per unit

11

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


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



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Alhamra Smart Portfolio		Alhamra Smart Portfolio	
	----- (Rupees in '000) -----			
Net income for the period	4,929	1,392	1,759	2,433
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	4,929	1,392	1,759	2,433

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

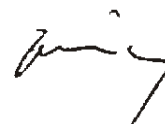
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Alhamra Smart Portfolio Half year ended December 31, 2022			Alhamra Smart Portfolio Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income / (loss)	Total
	(Rupees in '000)					
Net assets at the beginning of the period	145,277	132	145,409	123,200	(141)	123,059
Issuance of 1,007 units of Alhamra Smart Portfolio (2021: 1,023,953 of Smart Portfolio)						
- Capital value (at net assets value per unit at the beginning of the period) at Rs. 100.1599	101	-	101	102,269	-	102,269
- Element of income	2	-	2	508	-	508
	103	-	103	102,777	-	102,777
Redemption of 370,633 units of Alhamra Smart Portfolio (2021: 623,276 of Smart Portfolio)						
- Capital value (at net assets value per unit at the beginning of the period) at Rs.100.1599	(37,123)	-	(37,123)	(56,512)	-	(56,512)
- Amount paid out of element of income relating to 'Net income for the period after taxation'	60	(956)	(896)	(158)	-	(158)
- Refund / (adjustment) on units as element of income	-	-	-	-	-	-
	(37,063)	(956)	(38,019)	(56,670)	-	(56,670)
Total comprehensive income for the period	-	4,929	4,929	-	1,392	1,392
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	4,929	4,929	-	1,392	1,392
Net assets at end of the period	108,317	4,105	112,422	169,307	1,251	170,558
Undistributed income / (loss) brought forward comprising of:						
- Realised		3,131			-	
- Unrealised		(2,999)			(141)	
		132			(141)	
Accounting income available for distribution:						
- Relating to capital gains		3,973			1,392	
- Excluding capital gains		-			-	
		3,973			1,392	
Distribution during the period		-			-	
Undistributed income carried forward		4,105			1,251	
Undistributed income / (loss) carried forward comprising of:						
- Realised		210			(165)	
- Unrealised		3,895			1,416	
		4,105			1,251	
		-- (Rupees) --			-- (Rupees) --	
Net assets value per unit at beginning of the period		100.1599			99.8771	
Net assets value per unit at end of the period		103.8887			100.9069	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended December 31, 2022	Half year ended December 31, 2021
	Alhamra Smart Portfolio	Alhamra Smart Portfolio
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	4,929	1,392
Adjustments for non cash and other items:		
Mark-up on balances with banks	(428)	(271)
Realised gain on sale of investments - net	(1,246)	(336)
Net unrealised income on re-measurement of investments at fair value through profit or loss	(3,895)	(1,416)
	(5,569)	(2,023)
Decrease / (increase) in assets		
Investments - net	37,867	(39,276)
Advance and other receivables	-	-
	37,867	(39,276)
(Decrease) / increase in liabilities		
Payable to the Management Company	(3)	11
Payable to the Trustee	-	8
Payable to the Securities and Exchange Commission of Pakistan	(21)	17
Accrued expenses and other liabilities	(82)	225
	(106)	261
Mark-up received on balances with bank	423	244
Net cash generated from / (used in) operating activities	37,544	(39,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	103	102,777
Amount paid on redemption of units	(38,019)	(56,670)
Net cash (used in) / generated from financing activities	(37,916)	46,107
Net (decrease) / increase in cash and cash equivalents during the period	(372)	6,705
Cash and cash equivalents at the beginning of the period	7,532	2,031
Cash and cash equivalents at the end of the period	7,160	8,736

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

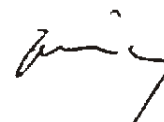
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al-Hamra Islamic Active Allocation Fund (the Fund) was established under a Trust Deed dated, November 25, 2016, executed between MCB-Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 02, 2016 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008). 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.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund commenced its operations from December 29, 2016. The Fund is an open-end Shariah Compliant Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP circular No. 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.
- 1.4 The duration of the Fund is perpetual however, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I) which matured on December 28, 2020. On June 16, 2017, the Fund launched Allocation Plan-II which matured on June 16, 2021. The Management Company has settled the unit holders of Plan-I and Plan-II. On June 10, 2021, the Fund launched Alhamra Smart Portfolio. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no. 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2022 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as Trustee of the Fund.
- 1.7 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.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:
- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

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

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

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

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

3. ACCOUNTING POLICIES AND ESTIMATES

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

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

3.2 New / Revised Standards, Interpretations and Amendments

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

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

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

Standards, interpretations and amendments	Effective date
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023

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

Standards, interpretations and amendments	Effective date
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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

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

- 3.4** The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2022.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Alhamra Smart Portfolio	Alhamra Smart Portfolio
Note		----- (Rupees in '000) -----	
4. BALANCES WITH BANKS			
In current account	4.1	1,534	1,516
In saving accounts	4.2	5,626	6,016
		<u>7,160</u>	<u>7,532</u>

- 4.1** Current accounts are maintained with MCB Bank Limited, a related party.

- 4.2** These carry profit at the rate ranging from 12.25% to 15.50% (June 30, 2022: 6.60% to 13.75%) per annum.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Alhamra Smart Portfolio	Alhamra Smart Portfolio
Note		----- (Rupees in '000) -----	
5. INVESTMENTS			
At fair value through profit or loss			
- Units of open-end mutual funds	5.1	<u>105,594</u>	<u>138,320</u>

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

5.1 Units of open-end mutual funds

Name of the fund	Number of units			Balances as at December 31, 2022			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	Redemption during the period	As at December 31, 2022	Carrying value	Market value		

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

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

SECP fee has been charged at the rate of annual fee at 0.02% (2021: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration
Payable to legal advisor
Withholding tax payable
Others

(Un-audited) December 31, 2022 Smart Portfolio ----- (Rupees in '000) -----	(Audited) June 30, 2022 Smart Portfolio ----- (Rupees in '000) -----
261	354
41	34
5	5
44	40
<u>351</u>	<u>433</u>

8. CONTINGENCIES AND COMMITMENTS

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

9. ALLOCATED EXPENSES

In accordance with NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

10. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

11. EARNINGS PER UNIT

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

12. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

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

For the half year ended December 31, 2022 (Un-audited)							
As at July 01, 2022	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2022	As at July 01, 2022	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2022
(Number of units)		(Rupees in '000)					

12.1 Unit Holders' Fund

Alhamra Smart Portfolio

Group / associated companies
MCB Arif Habib Savings and
Investments Limited

For the half year ended December 31, 2021 (Un-audited)							
As at July 01, 2021	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2021	As at July 01, 2021	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2021
(Number of units)		(Rupees in '000)					
1,200,000	-	-	1,200,000	120,000	-	-	121,088

Alhamra Smart Portfolio

Group / associated companies
MCB Arif Habib Savings and
Investments Limited

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

	(Un-audited) Half year ended	
	December 31, 2022 Alhamra Smart portfolio	December 31, 2021 Alhamra Smart portfolio
	----- (Rupees in '000) -----	
12.2 Transactions during the period:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company	43	27
Sindh sales tax on remuneration of the Management Company	6	4
Allocated expense	65	90
Digital Custodian Company Limited - Trustee		
Remuneration of the Trustee	126	126
Sindh sales tax on remuneration of Trustee	16	16
Alhamra Islamic Stock Fund		
Purchase of 147,975 (2021: 2,239,682) units	1,303	25,055
Redemption of 976,092 (2021: 1,119,977) units	9,042	12,063
Alhamra Islamic Income Fund		
Purchase of 86,117 (2021: 1,009,152) units	9,042	103,658
Redemption of 371,988 (2021: 747,903) units	39,170	77,373
MCB Bank Limited - Parent of the Management Company		
Bank Charges	-	1
	(Un-audited)	(Audited)
	December 31, 2022 Alhamra Smart portfolio	June 30, 2022 Alhamra Smart portfolio
	----- (Rupees in '000) -----	
12.3 Balances outstanding at period end:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	7	7
Sindh sales tax payable on management company remuneration	1	1
Payable against allocated expenses	10	13
Digital Custodian Company Limited - Trustee		
Trustee remuneration payable	21	21
Sindh sales tax payable on trustee remuneration	3	3
MCB Bank Limited - Parent of the Management Company		
Balances with bank - current account	1,534	1,516
Alhamra Islamic Stock Fund - Fund under common management		
Outstanding 3,041,326 and (2021: 3,869,444) units (investments made by the Fund)	26,642	35,212
Alhamra Islamic Income Fund - Fund under common management		
Outstanding 723,371 and (2021: 1,009,242) units (investments made by the Fund)	78,952	103,108

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

13. 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 balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

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

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

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

		December 31, 2022 (Un-audited)			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Note					
Alhamra Smart Portfolio					
	At fair value through profit or loss				
13.1		-	105,594	-	105,594
		-	105,594	-	105,594
June 30, 2022 (Audited)					
Alhamra Smart Portfolio					
	At fair value through profit or loss				
		-	138,320	-	138,320
		-	138,320	-	138,320

13.1 Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the MUFAP as at the close of the business days.

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

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

14. TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to December 31, 2022 is 0.99% as on December 31, 2022 (December 31, 2021: 0.69%) and these include 0.06% (December 31, 2021: 0.04%) representing Government Levy and SECP fee respectively.

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

15. GENERAL

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

15.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

16. DATE OF AUTHORISATION FOR ISSUE

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

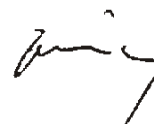
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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

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

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