

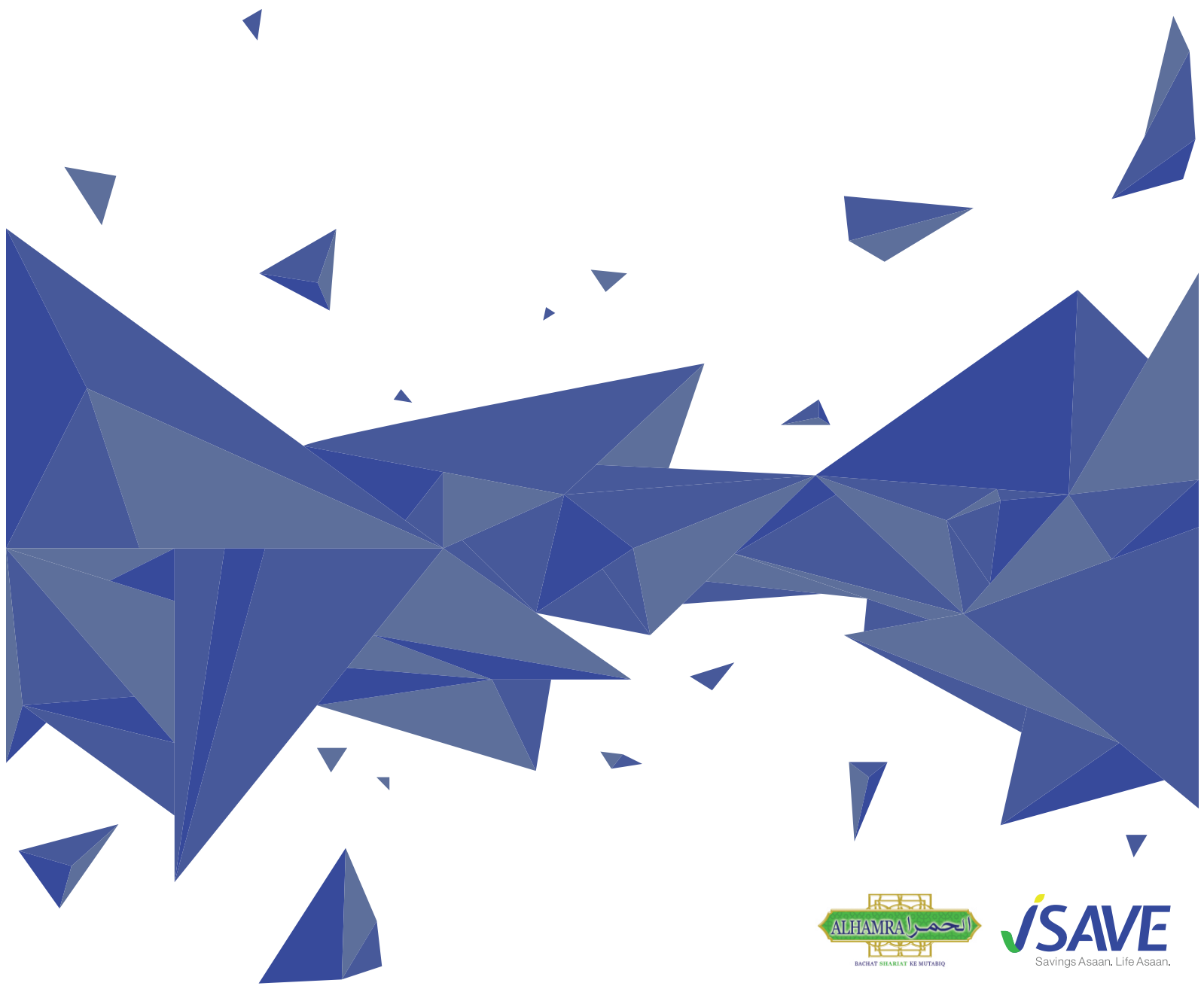


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2021
(UNAUDITED)

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



ALHAMRA ISLAMIC MONEY MARKET FUND

TABLE OF CONTENTS

1	Fund's Information	389
2	Report of the Directors of the Management Company	390
3	Trustee Report to the Unit Holders	398
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	399
5	Condensed Interim Statement of Assets And Liabilities	400
6	Condensed Interim Income Statement (Un-audited)	401
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	402
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	403
9	Condensed Interim Cash Flow Statement (Un-audited)	404
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	405

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
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 Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited National Bank Limited Askari Bank Limited Habib 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, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Money Market Fund** accounts review for the half year ended December 31, 2021.

Economy and Money Market Review

The fiscal year started on strong note with government's renewed focus on reviving growth, as new finance minister announced several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing (6.25% drop since start of covid lockdowns), low inflation and incentives on capital investment at lower rates (TERF), which further supported to growth premise. However, the sharp recovery in domestic demand, coupled with rising international commodity prices, led to a strong pick-up in imports and a commensurate increase in the current account deficit. Widening deficit also reflected on the exchange rate as the rupee depreciated by 10.4% against USD during first half of fiscal year ending June 2022 (1HFY22).

The country posted a current account deficit of USD 9.1bn in 1HFY22 compared to a surplus of USD 1.3bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 8.7bn in first half of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 56.9% in 1HFY22 compared to export growth of 29.0%. Trade Deficit increased by 86.0% to USD 21.2bn compared to USD 11.4bn in same period last year. The unprecedented increase in imports mainly came from historic high prices of our commodity basket including crude oil, palm oil, coal coupled with one time vaccines imports. As per our estimates, prices contributed more than two-third of the increase in import bill.

Foreign exchange reserves of central bank saw an increase of USD 0.4bn as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation and USD 3bn from Saudi Arabia for reserve support. The inflows helped in stabilizing forex reserves despite the huge current account deficit and due repayments.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 9.8% in 1HFY22 compared to 8.6% in 1HFY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and fuel) and second round impact of PKR depreciation, which keeps the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upward trend as it increased to 8.5% in December 2021 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 275bps to 9.75% in this half to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 32.5% in 1HFY22 to PKR 2,920bn compared to PKR 2,204bn during same period last year. This exceeded the target of 2,633bn by 287bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected due to higher imports.

Secondary markets yields have increased significantly in the half as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock at 11.7% above the range of 9-11% forecasted by SBP. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 1.7%, 1.5% and 1.2%, respectively during the period.

FUND PERFORMANCE

During the period under review, the fund posted a return of 7.59% compared to the benchmark return of 3.24%. In addition, the fund's exposure in Cash stood at 86.5%.

The Net Assets of the Fund as at December 31, 2021 stood at Rs. 13,610 million as compared to Rs. 15,258 million as at June 30, 2021 registering a decrease of 10.8%. The Net Asset Value (NAV) per unit as at December 31, 2021 was Rs. 99.5100 as compared to Rs. 99.5100 at June 30, 2021 as well.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Economy & Market – Future Outlook

The policy makers have moved their focus from growth to macroeconomic consolidation in view of elevated current account deficit and higher inflation trajectory. The SBP took a number of measures to curtail aggregate demand and imports including monetary tightening, raising cash reserve requirement and discouraging auto financing by banning financing of imported vehicle while capping financing requirement to PKR 3mn for locally assembled cars. These steps have started yielding results with imports receding from their historic high and currency depicting relative stability.

We expect GDP to grow by 4.6% this year slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services Sector to grow by 5.0%, 4.1% and 4.6% respectively. Industrial Sector growth is likely to remain robust but below government target due to some demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to expected bumper wheat and cotton crop. The Covid Vaccination roll out has been quite successful which is anticipated to unleash Services growth as this segment was the most affected by the pandemic.

The persistently elevated international commodities prices especially petroleum, palm oil, coal, fertilizers and steel, has led to a strong pick-up in imports and a rise in the current account deficit, which we expect to close the year around USD 16 billion (4.3% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2 billion (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 183 against a dollar.

Successful continuation of the IMF program will be a key prerequisite to keep the financial account in positive zone. The SBP is expected to continue to discourage unnecessary imports and use flexible market determined exchange rate and appropriate monetary policy setting to ensure sustainable external account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

The expected rise in energy tariffs, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect inflation to remain in double digits for rest of the fiscal year to average around 11.7% for year. SBP has increased policy rate by a cumulative 275bps to 9.75% to counter inflationary pressures and ensure that growth remains sustainable. It has indicated that its goal to achieve mildly positive interest rate on a forward-looking basis was now close to being achieved. However, the recent surge in international oil prices poses upside risk to the equation. We expect interest rates to rise around 10%-10.5% by the end of fiscal year.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 14.4%, a discount of 57% from its historical average. Similarly, risk premiums are close to 5.9%, compared to historical average of 1.9% signifying abnormal returns for long term investors. 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. The market is currently trading at PER of 5.5x, while offering a dividend yield of 8.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to remain at elevated levels given expected increase in interest rates. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 7.0% during the half to PKR 1,090bn at the end of 1HFY22. Total money market funds grew by about 19.9% since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 33.9% to PKR 382bn while Islamic funds declined by 2.3% to PKR 178bn. In addition, the total fixed Income funds increased by

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

about 0.9% since June 2021, as the conventional income funds declined by 3.7% to PKR 121bn. Equity and related funds declined by 8.1% as market witnessed a decline in the half eroding AUMS as concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 51.4%, followed by Equity and Equity related funds with a share of 25.2% and Income funds having a share of 22.7% as at the end of 1HFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

ACKNOWLEDGMENT

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 08, 2022



Nasim Beg
Director/Vice Chairman
February 08, 2022

ڈائریکٹرز رپورٹ

اظہار تشکر

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

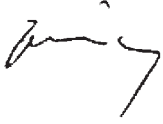
من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

08 فروری 2022ء



نسیم بیگ

ڈائریکٹر/وائس چیئرمین

08 فروری 2022ء

ڈائریکٹرز رپورٹ

تاریخی اوسط 1.9 فیصد تھا، جس کا مطلب ہے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافع جات ہوں گے۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کا خورد منظر زیادہ اہم رہے گا اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ مارکیٹ میں فی الوقت 5.5x قیمت کے آمدنی کے ساتھ تناسب (PER) پر تجارت ہو رہی ہے جبکہ 8.2 فیصد ڈیویڈنڈ دستیاب ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں پر محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2022ء کے نصف اوّل کے دوران تقریباً 7.0 فیصد بڑھ کر اختتام مدت پر 1,090 بلین روپے ہو گئے۔ منی مارکیٹ کی مجموعی فنڈز میں جون 2021ء سے اب تک تقریباً 19.9 فیصد اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے کیونکہ تقریباً 33.9 فیصد بڑھ کر 382 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 2.3 فیصد کم ہو کر 178 بلین روپے ہو گئے۔ مزید براں، مجموعی فکسڈ انکم فنڈز میں جون 2021ء سے اب تک تقریباً 0.9 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈز 3.7 فیصد کم ہو کر 121 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 8.1 فیصد کم ہو گئے کیونکہ زیر جائزہ ششماہی کے دوران مارکیٹ میں انحطاط آیا اور اثاثہ جات تحت الانظامیہ کم ہو گئے کیونکہ وسیع معاشی اور جغرافیائی سیاسی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2022ء کے نصف اوّل کے اختتام پر منی مارکیٹ فنڈز تقریباً 51.4 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر ایکویٹی اور متعلقہ فنڈز تھے جن کا 25.2 فیصد حصہ تھا، اور تیسرے نمبر پر انکم فنڈز تھے جن کا 22.7 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے اور مزید مالیاتی سختی کے امکان سے منی مارکیٹ فنڈز میں آمد و رفت میں اضافہ ہوگا۔ منی مارکیٹ فنڈز اپنی مختصر مدت کے سبب ایسے سرمایہ کاروں کے لیے موزوں ترین ہوں گے جو مختصر میعاد میں کام کرنا چاہتے ہیں اور زیادہ خطرہ مول لینا نہیں چاہتے۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے تعینات قدر کھول دی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

ڈائریکٹر ز رپورٹ

اضافہ، اور آٹو فائنانسنگ یعنی بینک وغیرہ سے قرض لے کر گاڑی کے حصول کی حوصلہ شکنی بذریعہ درآمد شدہ گاڑیوں کی فائنانسنگ پر پابندی اور مقامی تیار کردہ گاڑیوں کی فائنانسنگ کے لیے 3 ملین روپے کی مطلوبہ سطح کا تعین۔ ان اقدامات کے ثمرات ظاہر ہونا شروع ہو گئے ہیں کیونکہ درآمدات اپنی تاریخی بلند ترین سطح سے نیچے آ رہی ہیں اور روپیہ نسبتاً مستحکم ہو رہا ہے۔

ہمیں مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.6 فیصد کی ترقی کی اُمید ہے جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ ہماری توقع کے مطابق زرعی، صنعتی اور خدمات کے شعبوں میں بالترتیب 5.0 فیصد، 4.1 فیصد اور 4.6 فیصد ترقی ہوگی۔ صنعتی شعبے کی ترقی ممکنہ طور پر بھرپور لیکن حکومتی ہدف سے کم ہوگی کیونکہ مالیاتی سختی کے باعث طلب کچھ حد تک سکڑ جائے گی۔ دوسری جانب زرعی شعبے کی ترقی متوقع طور پر حکومتی تخمینوں سے سبقت لے جائے گی کیونکہ گندم اور کپاس کی فصل کا بڑا حجم متوقع ہے۔ کووڈ ویکسینیشن کی مہم کافی حد تک کامیاب رہی جس کی بدولت خدمات کے شعبے میں ترقی متوقع ہے کیونکہ وبا سے سب سے زیادہ متاثر یہی شعبہ تھا۔ اشیاء، خصوصاً پٹرولیم، پام تیل، کوئلہ، کھاد اور اسٹیل، کی مسلسل بڑھی ہوئی بین الاقوامی قیمتوں کے نتیجے میں درآمدات تیزی سے اوپر گئیں اور کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں اضافہ ہوا جو ہماری توقع کے مطابق اختتام سال پر تقریباً 16 بلین (جی ڈی پی کا 4.3 فیصد) ہوگا۔ یہ مالی سال 2018ء میں 19.2 بلین ڈالر (جی ڈی پی کے 6.1 فیصد) کے بعد سے اب تک کا سب سے زیادہ سی اے ڈی ہوگا۔ ہم سمجھتے ہیں کہ بلند سی اے ڈی کے رد عمل کے طور پر روپے کی قدر میں مزید کمی ہوگی اور اختتام مالی سال پر یہ 183 روپے فی ڈالر ہو جائے گا۔

’آئی ایم ایف‘ پروگرام کا کامیاب تسلسل مالی گوشوارے کو مثبت حد میں رکھنے کی اہم ترین شرط ثابت ہوگا۔ اُمید ہے کہ ایس بی پی غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ کا تعین کردہ لچکدار زرِ مبادلہ کی شرح اور مالیاتی پالیسی کی موزوں ترتیب استعمال کر کے خارجی گوشوارے کی قابل بقاء صورتحال کو یقینی بنائے گا۔ ترسیلات زر کے ساتھ ساتھ دوطرفہ اور کثیرالجہتی آمد و رفت بھی ہماری خارجی صورتحال کو سنبھالنے میں اہم ثابت ہوں گی۔

بجلی کی قیمتوں میں متوقع اضافے، روپے کی قدر میں کمی اور اشیاء کی بڑھی ہوئی بین الاقوامی قیمتوں کے نتیجے میں اس سال افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق افراط زر بقیہ مالی سال میں دو ہندسوں پر مشتمل رہے گی اور یوں اس کا اوسط برائے سال تقریباً 11.7 فیصد بنے گا۔ ایس بی پی نے پالیسی شرح میں مجموعی طور پر 275bps کا اضافہ کر کے اسے 9.75 فیصد کر دیا ہے تاکہ افراط زر کے دباؤ سے نمٹا جاسکے اور یہ یقینی بنایا جاسکے کہ ترقی قابل بقاء رہے۔ ایس بی پی نے اس طرف اشارہ کیا ہے کہ اس کا فارورڈ لیکنگ بنیاد پر ہلکا پھلکا مثبت شرح سود حاصل کرنے کا مقصد پورا ہونے کے قریب تھا، تاہم تیل کی بین الاقوامی قیمتوں میں اضافہ رکاوٹ بن رہا ہے۔ ہم سمجھتے ہیں کہ مالی سال کے اختتام تک سود کی شرحوں میں تقریباً 10 سے 10.5 فیصد تک کا اضافہ ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں اسٹاک کی قیمتوں میں حالیہ تصحیح سے تعین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 14.4 فیصد رہ گیا جو اس کے historical اوسط سے 57 فیصد کم ہے۔ اسی طرح، رسک پریمیم 5.9 فیصد کے قریب ہیں جبکہ اس کے بالمقابل اس کا

ڈائریکٹر رپورٹ

اسباب اشیائے خوردونوش کی بلندتر قیمتیں، توانائی (بجلی اور ایندھن) کی بڑھی ہوئی لاگتیں، اور پاکستانی روپے کی قدر میں کمی کا دوسرا دور ہیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔

بنیادی افراط زر، جس کی پیمائش اشیائے خوردونوش اور توانائی کے علاوہ کے ذریعے کی جاتی ہے، میں بھی اضافے کا رجحان پایا گیا۔ دسمبر 2021ء میں 8.5 فیصد جبکہ اس کے بالمقابل جون 2021ء میں 6.9 فیصد۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں مجموعی طور پر 275bps اضافہ کر کے اسے اس ششماہی میں 9.75 فیصد کر دیا تاکہ افراط زر کے دباؤ اور سست رفتار مجموعی طلب کا مقابلہ کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے نصف اول میں 32.5 فیصد بڑھ کر 2,920 بلین روپے ہو گئی جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت کے دوران 2,204 بلین روپے تھی۔ یہ 2,633 بلین کے ہدف سے 287 بلین روپے زیادہ ہے۔ ٹیکس وصولی میں اضافے کا بنیادی سبب درآمدات میں اضافے کی بدولت زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹس کے منافع جات میں اس ششماہی میں قابل ذکر اضافہ ہوا ہے کیونکہ 'ایس بی پی' نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی بمع اشیاء کی بلند قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور ہمیں توقع ہے کہ مالی سال 2022ء کی اوسط افراط زر 'ایس بی پی' کی پیش گوئی کردہ 9 سے 11 فیصد کی حد سے زیادہ یعنی 11.7 فیصد ہوگی۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز کے منافع جات میں دوران مدت بالترتیب 1.7 فیصد، 1.5 فیصد اور 1.2 فیصد اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 3.24 فیصد کے مقررہ منافع کے مقابلے میں 7.59 فیصد کا منافع پوسٹ کیا۔ اس کے علاوہ کیش میں فنڈ کی سرمایہ کاری 86.5 فیصد رہی۔

31 دسمبر 2021ء کو فنڈ کے خالص اثاثے 13,610 ملین روپے رہے جبکہ 30 جون 2021ء کو فنڈ کے اثاثے 15,258 ملین روپے تھے، یعنی 10.8 فیصد کی کمی درج کی گئی۔ 31 دسمبر 2021ء کو نیٹ ایسٹ ویلیو (این اے وی) فی یونٹ 99.5100 روپے رہی جبکہ 30 جون 2021ء کو بھی 99.5100 روپے تھی۔

معیشت اور مارکیٹ - مستقبل کا منظر

کرنٹ اکاؤنٹ خسارے اور افراط زر میں اضافے کے پیش نظر پالیسی سازوں نے اپنی توجہ کا مرکز ترقی سے ہٹا کر وسیع معاشی ہم آہنگی کو بنالیا ہے۔ 'ایس بی پی' نے مجموعی طلب اور درآمدات کو کم کرنے کے لیے متعدد اقدامات کیے مثلاً مالیاتی سختی، نقد ذخائر کی مطلوبہ سطح میں

بورڈ آف ڈائریکٹرز کی جانب سے الحمد اسلامک منی مارکیٹ فنڈ کے اکاؤنٹس برائے نصف اول مختتمہ 31 دسمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

ترقی کی بحالی پر حکومت کی تجویز شدہ توجہ کے باعث مالی سال کا خوش آئند آغاز جسکی وجہ نئے وزیر خزانہ کا مالی سال 2022ء کے بجٹ میں متعدد ترقیاتی ترغیبات کا اعلان کرنا ہے۔ یہ پیش رفت مالیاتی تسہیل (کووڈ لاک ڈاؤن کے آغاز سے اب تک 6.25 فیصد کی) کی سست اثر پذیری، پست افراط زر، اور کم شرحوں پر کیپیٹل کی سرمایہ کاری (TERF) پر مستزاد تھی جس کی بدولت ترقی کو مزید تحریک حاصل ہوئی۔ تاہم مقامی طلب میں ٹینڈ بحالی جمع اشیاء کی بڑھتی ہوئی بین الاقوامی قیمتوں کے نتیجے میں درآمدات میں بھرپور اضافہ اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ خسارے میں اضافے کا اثر شرح زرمبادلہ پر بھی ظاہر ہوا اور مالی سال مختتمہ جون 2022ء کے نصف اول کے دوران روپیہ ڈالر کے مقابلے میں 10.4 فیصد گر گیا۔

مالی سال 2022ء کے نصف اول میں ملک کا کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 9.1 بلین ڈالر تھا جبکہ اس کے بالمقابل گزشتہ سال کی مماثل مدت میں 1.3 بلین ڈالر سرپلس تھا۔ یہ مالی سال 2018ء سے لے کر اب تک کا سب سے زیادہ سی اے ڈی تھا، یعنی مالی سال کے نصف اول میں 8.7 بلین ڈالر کا خسارہ۔ اس کا بنیادی سبب درآمدات میں اضافہ تھا جو مالی سال 2022ء کے نصف اول میں 56.9 فیصد تھا جبکہ اس کے بالمقابل برآمدات میں اضافہ 29.0 فیصد تھا۔ تجارتی خسارہ 86.0 فیصد بڑھ کر 21.2 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 11.4 بلین ڈالر تھا۔ درآمدات میں بے نظیر اضافے کا سبب ہماری اشیاء کی basket کی historic بلند قیمتیں ہے جس میں خام تیل، palm تیل، کوئلہ اور اس کے ساتھ ویکسین کی یکبار درآمدات شامل ہیں۔ ہمارے تخمینوں کے مطابق درآمداتی بل میں اضافے کا دو تہائی سے زیادہ حصہ قیمتوں پر مشتمل ہے۔

مرکزی بینک کے زرمبادلہ کے ذخائر میں 0.4 بلین ڈالر اضافہ ہوا کیونکہ پاکستان کو انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے نئے 'ایس ڈی آر' اختصاص کے تحت 2.75 بلین ڈالر اور سعودی عرب کے طرف سے 3 بلین ڈالر برائے reserve معاونت موصول ہوئے۔ یہ وصولیاں کرنٹ اکاؤنٹ کے خطیر خسارے اور واجبات الاداء کے باوجود زرمبادلہ کے ذخائر میں استحکام لانے میں معاون ثابت ہوئیں۔

افراط زر کا مسئلہ برقرار رہا کیونکہ بڑھتی ہوئی اشیاء نے پالیسی سازوں کے لیے مشکلات پیدا کرنے کا سلسلہ جاری رکھا۔ ہیڈ لائن افراط زر، جس کی ترجمانی کنزومر پرائس انڈیکس (سی پی آئی) یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2022ء کے نصف اول میں 9.8 فیصد تھا جبکہ اس کے بالمقابل مالی سال 2021ء کے نصف اول میں 8.6 فیصد تھا۔ اس اضافے کے بنیادی

TRUSTEE REPORT TO THE UNIT HOLDERS

DIGITAL CUSTODIAN COMPANY

Formerly MCB Financial Services Limited

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

AL HAMRA ISLAMIC MONEY MARKET FUND

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

Al Hamra Islamic Money Market Fund, an open-end Scheme established under a Trust Deed dated July 17th, July, 2020 executed between MCB-Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Company Limited formerly MCB Financial Services Limited as Trustee.

1. MCB Arif Habib Savings and Investments Limited, the Management Company of Al Hamra Islamic Money Market Fund has, in all material respects, managed Al Hamra Islamic Money Market Fund during the period ended December 31st, 2021 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

Karachi: February 23, 2022



Authorize Signatory

REGISTERED OFFICE
B1, ISE Towers | Jinnah Avenue | Islamabad-44000
Ph: +92 21 32419770

KARACHI OFFICE
Perdesi House | Old Queens Road | Karachi-742
Tel: +92 51 2726543-4

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

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.

A member firm of Ernst & Young Global Limited

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



-: 2 :-

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: 24 February 2022

Karachi

A member firm of Ernst & Young Global Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (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.

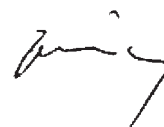
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

		Half year ended		Quarter ended	
		December 31,		December 31,	
		2021	2020	2021	2020
Note		----- (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
6	Allocated expenses	142	21	-	-
7	Selling and marketing expenses	3,554	165	-	-
8	Remuneration of Digital Custodian Company - Trustee	4,769	78	2,365	10
	Sindh Sales Tax on remuneration of trustee	620	10	307	1
9	Annual fee of Securities and Exchange Commission of Pakistan (Reversal) / provision against Sindh Workers' Welfare Fund	1,467	7	727	3
	Auditors' remuneration	(10,909)	442	-	405
	Amortization of preliminary expenses and formation costs	321	85	183	-
	Securities transaction cost	-	20	-	-
	Charity expense	-	18	-	-
	Legal and professional charges	274	-	274	-
	Settlement and bank charges	467	30	35	-
	Shahriah fee	534	38	417	2
	Fees and subscriptions	338	-	176	-
	Printing and related costs	202	38	138	-
	Total expenses	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
13	Taxation	-	-	-	-
Net income for the period		579,431	21,682	291,985	19,884
Earnings per unit					
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.

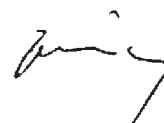
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	<u>Half year ended</u> <u>December 31,</u>		<u>Quarter ended</u> <u>December 31,</u>	
	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	<u>579,431</u>	<u>21,682</u>	<u>291,985</u>	<u>19,884</u>

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

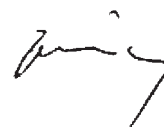
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE 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
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.

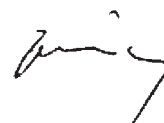
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR DECEMBER 31, 2021

	Note	Half year ended December 31,	
		2021	2020
		----- (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
		<u>(24,035)</u>	<u>(799)</u>
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
		<u>6,404,281</u>	<u>(349,774)</u>
(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)
		<u>(4,135)</u>	<u>517</u>
Markup received		546,830	16,339
Net cash generated from / (used) in operating activities		<u>6,922,941</u>	<u>(333,717)</u>
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		<u>(2,227,333)</u>	<u>3,928,775</u>
Net decrease in cash and cash equivalents during the period		<u>4,695,608</u>	<u>3,595,058</u>
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	<u>11,788,120</u>	<u>3,638,805</u>

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

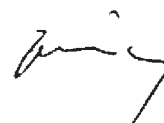
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 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 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:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

- 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:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

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.

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

- 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

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			Market value		Investment as a percentage of total issue size
					Carrying value before revaluation	Market value (Revised carrying value)	Unrealised appreciation/ (diminution)	As percentage of net assets	As percentage of total investments	
----- (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

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

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value			
				As at July 01, 2021	Purchased during the period	Matured / Sold during the period	As at December 31, 2021
----- (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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
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
		<u>5,607</u>	<u>20,671</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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) contributions. 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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 ----- (Rupees in '000) -----	(Un-audited) December 31, 2020
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 ----- (Rupees in '000) -----	(Audited) June 30, 2021
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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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) -----	-----	
<u>December 31, 2021 (Un-audited)</u>				
Sukuk - Unlisted	-	406,000	-	406,000
Commercial paper	-	1,316,917	-	1,316,917
	-	1,722,917	-	1,722,917
<u>June 30, 2021 (Audited)</u>				
Sukuk - 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

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 February 08, 2022 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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

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

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