



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 ACTIVE ALLOCATION FUND

TABLE OF CONTENTS

1	Fund's Information	360
2	Report of the Directors of the Management Company	361
3	Trustee Report to the Unit Holders	369
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	370
5	Condensed Interim Statement of Assets And Liabilities	371
6	Condensed Interim Income Statement (Un-audited)	372
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	373
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	374
9	Condensed Interim Cash Flow Statement (Un-audited)	375
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	376

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
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman 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
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 (Formerly MCB Financial Services 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, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Smart Portfolio 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.

Equity Market Review

The KSE-100 Index posted a negative return of 5.8% (2,760 points drop) in 1HFY22 compared to a positive return of 27.1% in same period last year. Challenging macros (rising in interest rate, depreciating PKR and widening twin deficit), increasing commodity prices, and MSCI's decision to downgrade Pakistan from Emerging Market to Frontier Market all weighted heavily on the index.

Cements, Refinery, Oil & Gas Marketing companies remained the major index dampeners, contributing 1,096 points, 370 points and 339 points to the index fall, respectively. In the cement sector, unpreceded surge in international coal prices (USD 250/ton compared to an average of USD 64.5/ton last year) created a weak near-term earnings outlook for the sector leading to selling pressure. Moreover, decline in refineries

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

and OMCs were largely on the account of delay in approval of refinery policy and continuous accumulation of circular debt, respectively.

Foreign institutional investors continued their selling spree, adding another USD 250 million during the half year, majority of which was countered by Individuals and Insurance companies. During the half year, average trading volumes saw a decline to 340 million shares compared to about 447million shares during the preceding half. Similarly, average trading value during the half saw a drop of 39% over last half to near USD 42 million.

FUND PERFORMANCE

During the period under review, the fund posted a return of 1.03% against -0.45% for the benchmark. The fund was 23.4% invested in Alhamra Islamic Stock Fund and 71.4% invested in Alhamra Islamic Income Fund as at December 31, 2021.

The Net Assets of the Fund as at December 31, 2021 stood at Rs. 171 million. The Net Asset Value (NAV) per unit as at December 31, 2021 was Rs. 100.9069.

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.

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

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 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.

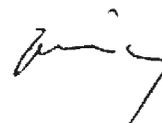
ACKNOWLEDGMENT

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

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 فنڈ 3.7 فیصد کم ہو کر 121 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈ 8.1 فیصد کم ہو گئے کیونکہ زیر جائزہ ششماہی کے دوران مارکیٹ میں انحطاط آیا اور اثاثہ جات تحت الانتظامیہ 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 اول کے اختتام پر منی مارکیٹ فنڈ تقریباً 51.4 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر ایکویٹی اور متعلقہ فنڈ تھے جن کا 25.2 فیصد حصہ تھا، اور تیسرے نمبر پر انکم فنڈ 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 فنڈ 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 رکھول 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۔

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





نسیم بیگ

ڈائریکٹر/وائس چیئرمین

08 فروری 2022ء

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

08 فروری 2022ء

ڈائریکٹرز رپورٹ

’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 زر 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 افراطِ زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق افراطِ 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 افراطِ 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 لکنگ بنیاد پر ہلکا 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 پریمیئم 5.9 فیصد کے قریب ہیں جبکہ اس کے بالمقابل اس کا تاریخی اوسط 9.1 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 اول کے دوران تقریباً 7.0 فیصد بڑھ کر اختتام مدت پر 1,090 بلین روپے ہو گئے۔ منی مارکیٹ کی مجموعی فنڈ میں جون 2021ء سے اب تک تقریباً 19.9 فیصد کا اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈ حاوی رہے کیونکہ تقریباً 33.9 فیصد بڑھ کر 382 بلین روپے ہو گئے، جبکہ اسلامک فنڈ 2.3 فیصد

ڈائریکٹرز رپورٹ

غیر ملکی ادارہ جاتی سرمایہ کاروں نے فروخت کا سلسلہ جاری رکھا اور نصف سال کے دوران مزید 250 ملین ڈالر کا اضافہ کیا، جس کے اکثر حصے کا مقابلہ افراد اور بیمہ کمپنیوں نے کیا۔ زیر جائزہ نصف سال کے دوران اوسط تجارتی حجم کم ہو کر 340 ملین حصص ہو گئے جبکہ اس کے بالمقابل گزشتہ نصف سال کے دوران تقریباً 447 ملین حصص تھے۔ اسی طرح، اوسط تجارتی قدر زیر جائزہ نصف سال کے دوران گزشتہ نصف سال کے مقابلے میں 39 فیصد کم ہو کر تقریباً 42 ملین ڈالر ہو گئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 0.45- فیصد منافع کے مقابلے میں 1.03 فیصد کا منافع حاصل کیا۔ 31 دسمبر 2021ء کو الحمر الاسلامک اسٹاک فنڈ میں 23.4 فیصد اور الحمر الاسلامک انکم فنڈ میں 71.4 فیصد سرمایہ کاری کی گئی تھی۔ 31 دسمبر 2021ء کو فنڈ کے خالص اثاثے 171 ملین روپے رہے۔ 31 دسمبر 2021ء کو نیٹ ایسٹ ویلیو (این اے وی) فی یونٹ 100.9069 روپے تھی۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

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 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 آرہی ہیں اور روپیہ نسبتاً مستحکم ہو رہا ہے۔

ہمیں مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.6 فیصد کی ترقی کی امید 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، کونلہ، 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۔

ڈائریکٹرز 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۔

ایکوئیٹ مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج (کے ایس ای) 100 انڈیکس نے مالی سال 2022ء کے نصف اول میں 5.8 فیصد منفی منافع (2,760 پوائنٹس کمی) پوسٹ کیا جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 27.1 فیصد مثبت منافع ہوا تھا۔ وسیع عناصر میں مشکلات (شرح سود میں اضافہ، روپے کی قدر میں کمی اور پھیلتے ہوئے جڑواں خسارے)، بڑھتی ہوئی اشیاء کی قیمتیں، اور MSCI کا پاکستان کی درجہ بندی کو امرنگ مارکیٹ سے کم کر کے فرنٹیسر مارکیٹ کرنے کا فیصلہ، ان تمام عوامل نے انڈیکس پر دباؤ ڈالا۔ سیمنٹ، ریفاٹری، اور تیل اور گیس کی مارکیٹنگ کی کمپنیاں وہ اہم شعبہ جات تھے جنہوں نے انڈیکس کو بالترتیب 1,096 پوائنٹس، 370 پوائنٹس اور 339 پوائنٹس متاثر کیا۔ کولے کی بین الاقوامی قیمتوں میں بے نظیر اضافے (250 ڈالر فی ٹن سے بڑھ کر گزشتہ سال اوسطاً 64.5 ڈالر فی ٹن) نے سیمنٹ کے شعبے کی قریب المیعاد آمدنیوں کی صورتحال کو کمزور کیا جس کے نتیجے میں فروخت کا دباؤ پیدا ہوا۔ علاوہ ازیں، ریفاٹریوں اور آئل مارکیٹنگ کمپنیوں میں انحطاط کی بڑی وجہ بالترتیب ریفاٹری کی پالیسیوں کی منظوری میں تاخیر اور گردشی قرض کا مسلسل جمع ہونا ہے۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ پورٹ فولیو کے اکاؤنٹس برائے نصف اولِ مختتمہ 31 دسمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

ترقی کی بحالی پر حکومت کی تجدید 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 کمی) 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 بمع 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 سالِ 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 ٹلک 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 کنزیومر پرائس انڈیکس (سی پی آئی) یعنی صارفین کی 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



Formerly MCB Financial Services Limited

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

Report of the Trustee Pursuant to Regulation 41(h) 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 MCB Financial Services 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 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

Authorize Signatory

Karachi: February 23, 2022

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



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INDEPENDENT AUDITORS' REVIEW REPORT

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 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.

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



~: 2 :-

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

A handwritten signature in black ink, appearing to read 'Shaikh Ahmed Salman', is written over the printed name.

Chartered Accountants

Date: 24 February 2022

Karachi

A member firm of Ernst & Young Global Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2021

	Note	(Un-audited)				(Audited)			
		December 31, 2021				June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
(Rupees in '000)									
ASSETS									
Balances with banks	4	-	-	8,736	8,736	6,146	14,126	2,031	22,303
Investments	5	-	-	162,107	162,107	-	-	121,079	121,079
Profit receivable		-	-	57	57	-	-	30	30
Advance and other receivables		-	-	-	-	-	-	-	-
Total assets		-	-	170,900	170,900	6,146	14,126	123,140	143,412
LIABILITIES									
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		-	-	21	21	-	-	10	10
Payable to MCB Financial Services Limited - Trustee		-	-	24	24	-	-	16	16
Payable to the Securities and Exchange Commission of Pakistan (SECP)	6	-	-	18	18	-	29	1	30
Accrued expenses and other liabilities	7	-	-	279	279	6,146	14,097	54	20,297
Total liabilities		-	-	342	342	6,146	14,126	81	20,353
NET ASSETS		-	-	170,558	170,558	-	-	123,059	123,059
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	-	170,558	170,558	-	-	123,059	123,059
Contingencies and commitments	8								
		--- (Number of units) ---				--- (Number of units) ---			
NUMBER OF UNITS IN ISSUE		-	-	1,690,244	-	-	1,232,102		
		----- (Rupees) -----				----- (Rupees) -----			
NET ASSET VALUE PER UNIT		-	-	100.9069	-	-	99.8771		

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

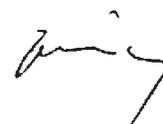
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



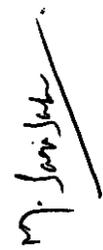
Director

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

	Half year ended December 31, 2021			Quarter ended December 31, 2021			Quarter ended December 31, 2020			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Islamic Active Allocation Plan - II	Total
INCOME										
Gain on redemption of investments - net	-	-	336	10,750	1,357	12,107	-	-	227	11,092
Net unrealised gain / (loss) on re-measurement of investments classified as 'at fair value through profit or loss'	-	-	1,416	5,508	5,508	5,508	-	-	2,406	(615)
Profit on balances with bank	-	-	271	337	279	616	-	-	142	281
Total income	-	-	2,023	11,087	7,144	18,231	-	-	2,775	10,587
	-	-	27	34	27	61	-	-	14	27
	-	-	4	4	4	8	-	-	2	4
	-	-	126	137	124	261	-	-	63	126
	-	-	16	18	16	34	-	-	8	17
	-	-	18	30	17	47	-	-	9	22
	-	-	90	148	82	230	-	-	45	107
	-	-	277	62	208	270	-	-	166	168
	-	-	55	3	37	40	-	-	30	33
	-	-	5	5	2	7	-	-	-	2
	-	-	-	16	6	22	-	-	-	4
	-	-	13	18	40	58	-	-	5	17
	-	-	-	212	132	344	-	-	-	200
Total expenses	-	-	631	687	695	1,392	-	-	342	455
Net income for the period before taxation	-	-	1,392	10,400	6,449	16,849	-	-	2,433	9,800
Taxation	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	1,392	10,400	6,449	16,849	-	-	2,433	9,800
<i>Allocation of net income for the period:</i>										
Net income for the period	-	-	1,392	10,400	6,449	16,849	-	-	-	-
Income already paid on units redeemed	-	-	-	(4,373)	(959)	(5,332)	-	-	-	-
Accounting income available for distribution:	-	-	1,392	6,027	5,490	11,517	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-
Earnings per unit	-	-	1,392	6,027	5,490	11,517	-	-	-	-

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

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


M. Saad Jaleel

Chief Executive Officer

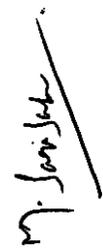


Director

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

	Half year ended December 31, 2021			Half year ended December 31, 2020			Quarter ended December 31, 2021			Quarter ended December 31, 2020				
	Alhamra Islamic Active Allocation	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation	Alhamra Plan - II	Total	Alhamra Islamic Active Allocation	Alhamra Plan - I	Total	Alhamra Islamic Active Allocation	Alhamra Plan - I	Alhamra Islamic Active Allocation	Alhamra Plan - II	Total
	(Rupees in '000)													
Net income for the period	-	1,392	1,392	10,400	6,449	16,849	-	-	2,433	2,433	5,668	4,132	9,800	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	1,392	1,392	10,400	6,449	16,849	-	-	2,433	2,433	5,668	4,132	9,800	

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



Chief Executive Officer

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



Chief Financial Officer



Director

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

	Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II			Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II		
	Half Year Ended December 31, 2021			Half Year Ended December 31, 2020			Half Year Ended December 31, 2021			Half Year Ended December 31, 2020		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at the beginning of the period	-	-	-	123,200	(141)	123,059	472,874	(132,082)	340,792	211,921	(35,358)	176,563
Issuance of 1,023,953 units of Alhamra Smart Portfolio (2020: 91,000 of Plan - I, 331 of Plan - II and Nil of Smart Portfolio)	-	-	-	102,269	-	102,269	20,516	-	20,516	22	-	22
- Capital value (at net assets value per unit at the beginning of the period)	-	-	-	508	-	508	71	-	71	10	-	10
- Element of income	-	-	-	102,777	-	102,777	20,587	-	20,587	32	-	32
Redemption of 623,276 units of Alhamra Smart Portfolio (2020: 1,895,691 of Plan - I 4720,758 of Plan - II and Nil of Smart Portfolio)	-	-	-	(56,512)	-	(56,512)	(183,476)	-	(183,476)	(45,254)	-	(45,254)
- Capital value (at net assets value per unit at the beginning of the period)	-	-	-	(158)	-	(158)	(246)	-	(246)	1	-	(959)
- Amount paid out of element of income	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Net income for the period after taxation'	-	-	-	-	-	-	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	-	-	-	(56,670)	-	(56,670)	(183,722)	(4,376)	(188,098)	(45,253)	(959)	(46,212)
Total comprehensive income for the period	-	-	-	1,392	1,392	1,392	-	10,400	10,400	-	-	22,806
Distribution during the period	-	-	-	-	-	-	-	(9,646)	(9,646)	-	-	-
Net income for the period less distribution	-	-	-	1,392	1,392	1,392	754	754	754	-	-	22,806
Net assets at end of the maturity period	-	-	-	169,307	1,251	170,558	309,739	(135,704)	174,035	166,700	(36,317)	237,791
Payable to unit holders on maturity (Refer note 8.2)	-	-	-	-	-	-	(309,739)	135,704	(174,035)	-	-	-
Net assets at end of the period	-	-	-	169,307	1,251	170,558	-	-	-	166,700	(36,317)	237,791

Undistributed (loss) / income brought forward comprising of:

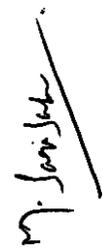
- Realised	(36,374)
- Unrealised	1,016
Accounting income available for distribution:	(35,358)
- Relating to capital gains	5,862
- Excluding capital gains	(372)
Distribution during the period	5,490
Undistributed loss carried forward	(29,868)

Undistributed income / (loss) carried forward comprising of:

- Realised	(35,376)
- Unrealised	5,508
Net assets value per unit at beginning of the period	(29,868)
Net assets value per unit at end of the period	-- (Rupees) --
	95,6301
	99,6285

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

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


M. Saad Jaleel

Chief Executive Officer


Anshu

Chief Financial Officer



Director

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

	Half year ended December 31, 2021				Half year ended December 31, 2020		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the period before taxation	-	-	1,392	1,392	10,400	6,449	16,849
Adjustments for non cash and other items:							
Profit on balances with bank	-	-	(271)	(271)	(337)	(279)	(616)
Gain on redemption of investments - net	-	-	(336)	(336)	(10,750)	(12,107)	(22,857)
Net unrealised (gain) / loss on re-measurement of investments classified as ' at fair value through profit or loss'	-	-	(1,416)	(1,416)	-	(5,508)	(5,508)
	-	-	(2,023)	(2,023)	(11,087)	(17,894)	(28,981)
(Increase) / decrease in assets							
Investments	-	-	(39,276)	(39,276)	333,383	49,750	383,133
Advance and other receivables	-	-	-	-	60	(6)	54
	-	-	(39,276)	(39,276)	333,443	49,744	383,187
(Decrease) / increase in liabilities							
Payable to MCB Arif Habib Savings and Investments - Management Company	-	-	11	11	(40)	(3)	(43)
Payable to MCB Financial Services Limited - Trustee	-	-	8	8	(28)	(1)	(29)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	-	(29)	17	(12)	(87)	(49)	(136)
Accrued expenses and other liabilities	(6,146)	(14,097)	225	(20,018)	110	248	358
	(6,146)	(14,126)	261	(20,011)	(45)	195	150
Profit received on balances with bank	-	-	244	244	477	275	752
Net cash (used) in / generated from operating activities	(6,146)	(14,126)	(39,402)	(59,674)	333,188	38,769	371,957
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount received on issuance of units	-	-	102,777	102,777	20,587	32	20,619
Amount paid on redemption of units	-	-	(56,670)	(56,670)	(188,098)	(46,212)	(234,310)
Cash distribution	-	-	-	-	(9,646)	-	(9,646)
Net cash generated from / (used) in financing activities	-	-	46,107	46,107	(177,157)	(46,180)	(223,337)
Net (decrease) / increase in cash and cash equivalents during the period	(6,146)	(14,126)	6,705	(13,567)	156,031	(7,411)	148,620
Cash and cash equivalents at the beginning of the period	6,146	14,126	2,031	22,303	19,166	11,444	30,610
Cash and cash equivalents at the end of the period	-	-	8,736	8,736	175,197	4,033	179,230

The annexed notes 1 to 16 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 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 has been changed from 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan to 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). On June 16, 2017, the Fund launched Allocation Plan-II. 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. The maturity of Allocation Plan I was two years from the close of the initial offer period of December 29, 2016 (i.e. maturing on December 28, 2018), however, the said maturity has been extended for another two years (i.e. maturing on December 28, 2020). The maturity of Allocation Plan II was two years from the close of the initial offer period of June 16, 2017 (i.e. maturing on June 16, 2019) however, the said maturity has been extended by two year (i.e. maturing on June 16, 2021). Accordingly, Plan-I matured on December 28, 2020 and its net asset value as at said date was Rs. 174.035 million and Rs.88.3577 per unit, while Plan-II matured on June 15, 2021 and its net asset value at said date was Rs. 104.261 million and Rs. 95.6301 per unit. The Management Company has settled the unit holders of Plan-I and Plan-II.
- 1.5 The Management Company has launched Alhamra Smart Portfolio on June 10, 2021.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.7 The title to the assets of the Fund is held in the name of Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) as Trustee of the Fund.

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

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

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, 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.

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

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

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

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

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.

- 3.3 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			
	Note	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----					
4. BALANCES WITH BANKS					
In current accounts	4.1	-	-	1,910	1,910
In saving accounts	4.2	-	-	6,826	6,826
		-	-	8,736	8,736

		(Audited)			
		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----					
In current account		6,146	14,126	10	20,282
In saving accounts		-	-	2,020	2,020
		6,146	14,126	2,031	22,303

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

4.2 These carry Markup at the rate ranging from 6.60% to 10.50% (June 30, 2021: 6.6% to 6.80%) per annum

		(Un-audited)			
		December 31, 2021			
	Note	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----					
5. INVESTMENTS					
At fair value through profit or loss					
- Units of open-end mutual funds	5.1	-	-	162,107	162,107

		(Audited)			
		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----					
- Units of open-end mutual funds		-	-	121,079	121,079

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

5.1 Units of open-end mutual funds

Name of the fund	Number of units				Balances as at December 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2021	Purchased during the period	Redemption during the period	As at December 31, 2021	Carrying value	Market value	Unrealised gain		
Alhamra Smart Portfolio with related party									
Alhamra Islamic Stock Fund	2,681,101	2,239,682	1,119,977	3,800,806	42,671	40,061	(2,610)	23.49%	24.71%
Alhamra Islamic Income Fund	890,625	1,009,152	747,903	1,151,874	118,021	122,047	4,026	71.56%	75.29%
Total as at December 31, 2021 (Un-audited)					<u>160,691</u>	<u>162,107</u>	<u>1,416</u>		
Total as at June 30, 2021 (Audited)					121,435	121,079	(357)		

----- (Rupees in '000) ----- % -----

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

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% (2020: 0.02%) of net assets on all categories of collective investment schemes as per the SRO no. 685(I)/2019 dated June 2019.

		(Un-audited)			
		December 31, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----			
Auditors' remuneration		-	-	223	223
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	-	-	-	-
Payable to legal advisor		-	-	16	16
Others		-	-	40	40
		-	-	279	279

		(Audited)			
		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
		----- (Rupees in '000) -----			
Auditors' remuneration		-	283	17	300
Provision for Sindh Workers' Welfare Fund (SWWF)		982	942	-	1,924
Payable to legal advisor		-	29	3	32
Others		5,164	12,872	34	18,070
		6,146	14,126	54	20,325

7.1 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.

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

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2021 (June 30, 2021: Nil).

9. 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).

The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

10. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

11. EARNINGS PER UNIT

Earnings per unit (EPU) based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same 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, 2021**

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

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
----- (Number of units) -----			----- (Rupees in '000) -----			
12.1 Unit Holders' Fund						
Alhamra Smart Portfolio						
Group / associated companies						
MCB Arif Habib Savings and Investments Limited	1,200,000	-	1,200,000	120,000	-	-
						121,088
Alhamra Islamic Active Allocation Plan - I						
Group / associated companies						
MCB Employees' Pension Fund	616,472	35,831	652,303	55,666	-	55,666
Alhamra Islamic Active Allocation Plan - II						
Group / associated companies						
MCB Employees' Pension Fund	825,997	-	825,997	78,990	-	78,990
Unit holders holding 10% or more units	680,074	-	680,074	61,409	-	61,409

* The unit holder also holds 10% or more of the units in the Funds.

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

	(Un-audited)			
	For half year ended December 31, 2021			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart portfolio	Total
----- (Rupees in '000) -----				
12.2 Transactions during the period:				
MCB-Arif Habib Savings and Investments Limited - Management Company				
Remuneration of the Management Company	-	-	27	27
Sindh sales tax on remuneration of the Management Company	-	-	4	4
Allocated expense	-	-	90	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 2,239,682 units	-	-	25,055	25,055
Redemption of 1,119,977 units	-	-	12,063	12,063
Alhamra Islamic Income Fund				
Purchase of 1,009,152 units	-	-	103,658	103,658
Redemption of 747,903 units	-	-	77,373	77,373
MCB Bank Limited - Parent of the Management Company				
Bank charges	-	-	1	-
(Un-audited)				
For half year ended December 31, 2020				
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart portfolio	Total	
----- (Rupees in '000) -----				
MCB-Arif Habib Savings and Investments Limited - Management Company				
Remuneration of the Management Company	34	27	-	61
Sindh sales tax on remuneration of the Management Company	4	4	-	8
Allocated expense (including indirect taxes)	148	82	-	230
Digital Custodian Company Limited - Trustee				
Remuneration of the Trustee	137	124	-	261
Sindh sales tax on remuneration of Trustee	18	16	-	34
Alhamra Islamic Stock Fund				
Purchase of 3,075,397 units and 4,028,447 units by the Fund	31,000	41,000	-	72,000
Redemption of 3,075,397 units and nil units by the Fund	33,153	-	-	33,153
Alhamra Islamic Income Fund				
Purchase of 315,918 units and nil units by the Fund	33,153	-	-	33,153
Redemption of 3,483,764 units and 772,180 units by the Fund	364,381	80,000	-	444,381
MCB Bank Limited - Parent of the Management Company				
Bank charges	4	2	-	6

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

	(Un-audited)			Total
	December 31, 2021			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	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	-	-	6	6
Sindh sales tax payable on management company remuneration	-	-	1	1
Payable against allocated expenses	-	-	14	14
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	-	-	8,736	8,736
Alhamra Islamic Stock Fund - Fund under common management				
Outstanding Nil and 3,800,806 units (investments made by the Fund)	-	-	40,061	40,061
Alhamra Islamic Income Fund - Fund under common management				
Outstanding Nil and 1,151,874 units (investments made by the Fund)	-	-	122,047	122,047
	(Audited)			
	June 30, 2021			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----			
MCB-Arif Habib Savings and Investments Limited - Management Company				
Management remuneration payable	-	-	3	3
Sindh sales tax payable on management company remuneration	-	-	-	-
Payable against allocated expenses	-	-	7	7
Digital Custodian Company Limited - Trustee				
Trustee remuneration payable	-	-	14	14
Sindh sales tax payable on Trustee remuneration	-	-	2	2
MCB Bank Limited - Parent of the Management Company				
Balances with bank - current account	6,146	14,126	10	20,282
Alhamra Islamic Income Fund - Fund under common management				
Outstanding 890,625 units (investments made by the Fund)	-	-	90,809	90,809
Alhamra Islamic Stock Fund				
Outstanding 2,681,101 units (investments made by the Fund)	-	-	30,270	30,270

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

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, 2021 and June 30, 2021, the Fund held the following instruments measured at fair values:

		December 31, 2021 (Un-audited)			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Note					
Alhamra Islamic Active Allocation Plan - I					
	At fair value through profit or loss	-	-	-	-
Alhamra Islamic Active Allocation Plan - II					
	At fair value through profit or loss	-	-	-	-
Alhamra Smart Portfolio		-	162,107	-	162,107
		<u>-</u>	<u>162,107</u>	<u>-</u>	<u>162,107</u>
		June 30, 2021 (Audited)			
		----- (Rupees in '000) -----			
Alhamra Islamic Active Allocation Plan - I					
	At fair value through profit or loss	-	322,630	-	322,630
Alhamra Islamic Active Allocation Plan - II					
	At fair value through profit or loss	-	166,072	-	166,072
		<u>-</u>	<u>488,702</u>	<u>-</u>	<u>488,702</u>

13.1 Fair values of investments in units of mutual funds are determined based on net asset value disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.

During the period ended December 31, 2021, 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.

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

14. TOTAL EXPENSE RATIO

Total Expense Ratio of Alhamra Smart Portfolio is 0.69% as on December 31, 2021 (December 31, 2021: Nil) and these include 0.04% (December 31, 2020: Nil) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee respectively. The ratio of is within the maximum limit of 2.5% as prescribed under the NBFC Regulations 60(5) for a collective investment scheme categorised as a Shariah Compliant Fund of Fund scheme.

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 08, 2022.

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

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