

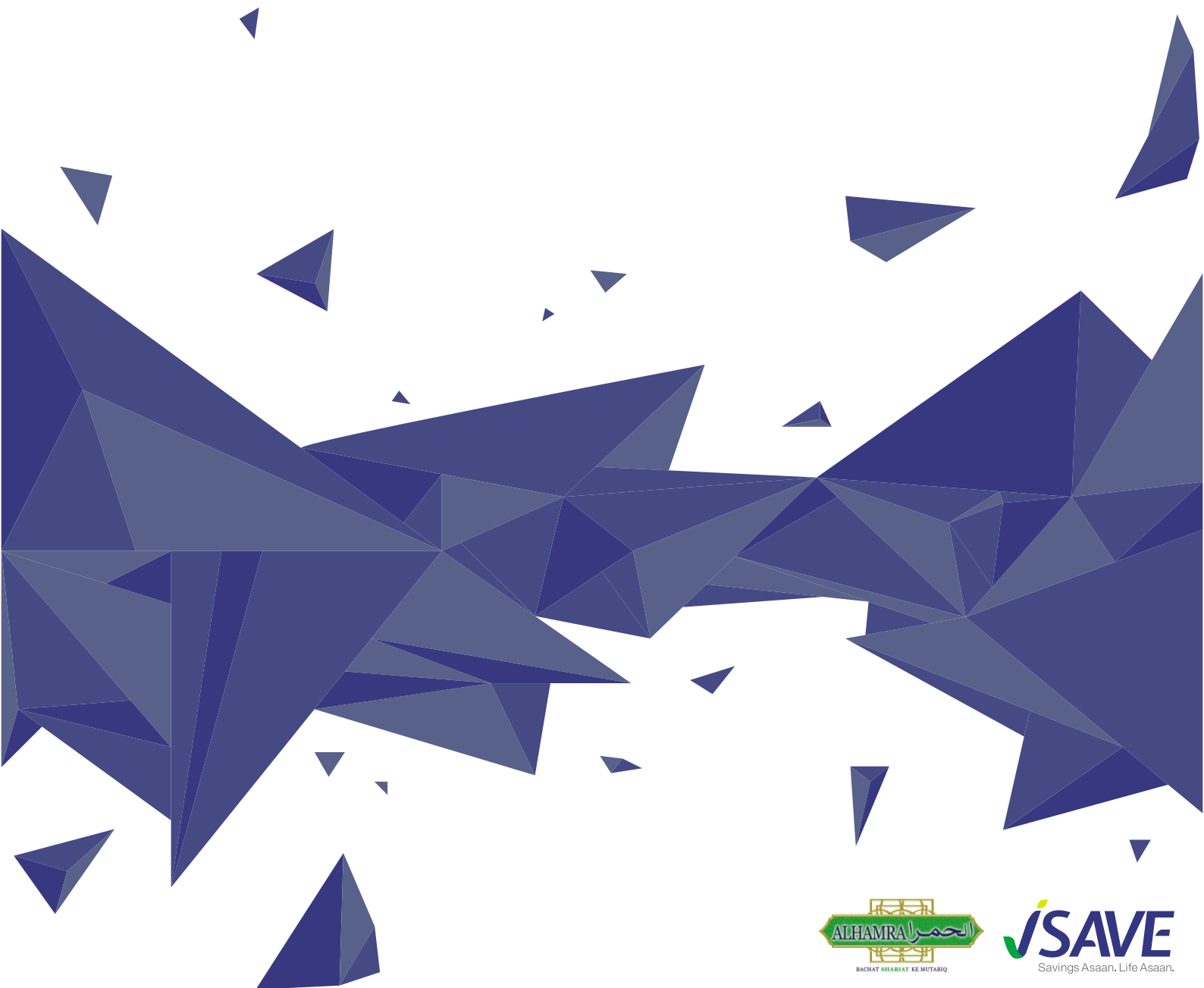


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2022**  
(UNAUDITED)

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



# **ALHAMRA ISLAMIC STOCK FUND**

## TABLE OF CONTENTS

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1	Fund's Information	173
2	Report of the Directors of the Management Company	174
3	Condensed Interim Statement of Assets And Liabilities	181
4	Condensed Interim Income Statement (Un-audited)	182
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	183
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	184
7	Condensed Interim Cash Flow Statement ( Un-audited)	185
8	Notes to and forming part of the Condensed Interim Financial Statements	186

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	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
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited National Bank of Pakistan Standard Chartered Bank Limited Silk Bank Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Soneri Bank Limited Al-Baraka Bank Pakistan Limited	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Stock Fund** (Formerly: MCB Pakistan Islamic Stock Fund) accounts review for the quarter ended September 30, 2022.

### ECONOMY AND MONEY MARKET REVIEW

The new fiscal year started with unprecedented rainfall and added further woes to the already struggling economy of Pakistan. The country witnessed 3 times more rainfall than 30-year average of 135mm which caused considerable damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. The floods would directly hit our already fragile economy in the shape of higher inflation, worsening Current Account Deficit (CAD), fiscal strain, and lower GDP growth amid the tough global landscape.

The key crop affected by floods are cotton and rice. We expect the cotton imports to increase by 2.5mn bales which translates into an additional import bill of around USD 1.1bn. Similarly, we expect rice export to decrease by 20% leading to a decline in export of USD 500mn. This would worsen our trade deficit by USD 1.6 billion. The inflation could also escalate in the short term as supply chain disruption would lead to increase in price of perishable food products.

Agriculture contributes around 22.7% to the country's GDP with livestock having a weight of 14.0% in the overall pie followed by crops with a weightage of 7.8%. The floods would trim FY23 GDP growth number by 0.4% to 2.0%. On the fiscal front, the government will have to increase its spending to rehabilitate the peoples affected by floods. This could increase risk of fiscal slippage and cause us to miss our target of achieving a primary budget surplus of PKR 153bn (0.2% of GDP) in FY23.

The country posted a current account deficit of USD 1.9bn in first two months of fiscal year 2023 (2MFY23) compared to a deficit of USD 2.4bn in the corresponding period last year, registering a 20% improvement over last year. Narrowing trade deficit was the major contributor towards improving CAD as an 11.2% jump in exports coupled with 2.1% drop in imports led to 11% contraction in trade deficit. In addition to CAD, debt repayments put further pressure on the FX reserves, which dropped by another USD 1.9 billion to USD 7.9 billion, hardly enough for 6 weeks. This led PKR to lost its ground against the USD by 11% to close the quarter at PKR 227 against a Dollar.

Headline inflation represented by CPI averaged 25.1% during the quarter as compared to 8.6% in the corresponding period last year. Higher food prices as an aftermath of floods coupled with higher electricity tariff and rising petroleum prices were the major contributors towards rising CPI. The inflationary pressure was broad based which is depicted by core inflation increasing to 15.7% compared to 12.3% at the end of last quarter. SBP increased policy rate by a further 125bps in July-22 monetary policy while maintained interest rates in the latest MPS held in Oct-22. On the fiscal side, FBR tax collection increased by 17.1% in 1QFY23 to PKR 1,635 billion compared to PKR 1,396 billion in the same quarter last year. This exceeded the target by 25bn.

Secondary markets yields increased in the quarter on account of monetary tightening and additional bout of inflationary pressure post floods. The 3, 6 and 12 Month T-Bills yield increased by 50, 52 and 44 basis points (bps) respectively while 3 and 5 Years Bond yields rose by 38 and 19bps respectively during the quarter.

### EQUITY MARKET REVIEW

The KSE-100 index declined by 1.0% to close the quarter at 41,129 points. The period was marked with high volatility whereby initial exuberance on the completion of Pakistan's seventh & eighth review with the IMF and financial support assurances worth ~USD4bn from friendly countries soon vanished due to the catastrophic floods in the country. The quarter also witnessed extreme volatility of Rupee against the greenback, 47-year high inflation reading, continuance depletion of SBP reserves, and political noise which all contributed to dampen investors' sentiments. Foreigners turned net buyers with an inflow of USD 17mn mainly due to the buyback of TRG shares by the associate company, while on the local front Insurance and Mutual Funds remained sellers with net outflow of USD 41mn and USD 35mn, respectively. During the quarter, average trading volumes saw a decline to 218 million shares compared to about 247 million shares during the preceding quarter. Similarly, the average trading value during the quarter saw a drop of 16% over the last quarter to USD 31 million.

Fertilizers, Commercial Banks, Oil & Gas Exploration companies and Automobile Assemblers were the major contributors to the index decline posting -380/-260/-250/-158 points, respectively.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Underperformance in Fertilizer and Oil & Gas Exploration companies was due to lower than expected payout from the companies. The decline in the banking sector was due to the negative performance of HBL owing to international scrutiny. Automobile Assembler struggled due to poor volumetric sales on account of restrictions imposed by the SBP. On the flipside, Technology and cement sector added 761 and 276 points respectively to the index.

### FUND PERFORMANCE

During the period, ALHISF delivered a return of -0.33% as compared to benchmark return of -1.90%. Overall equity exposure of the fund stood at 92.2% at the end of the period. The fund changed its investment strategy several times during the quarter to cope with various sector and company level fundamental developments. During the period, the fund had exposures majorly in Oil and Gas Exploration Companies, Cement and Commercial Banks.

The Net Assets of the Fund as at September 30, 2022 stood at Rs. 2,424 million as compared to Rs. 2,430 million as at June 30, 2022 registering a decrease of 0.24%.

The Net Asset Value (NAV) per unit as at September 30, 2022 was Rs. 9.07 as compared to opening NAV of Rs. 9.10 per unit as at June 30, 2022 registering a decrease of Rs. 0.03 per unit.

### ECONOMY & MARKET – FUTURE OUTLOOK

Pakistan GDP growth clocked at 6.0% in FY22 with Agricultural, Industrial and Services sector increasing by 4.4%, 7.2% and 6.2% respectively. The GDP growth is projected to decline to 2.0% in FY23 as monetary tightening, rupee devaluation and the recent floods will lead to slowdown in the economy. The loss of cotton and rice crop would trim agriculture growth to 1.2% while industrial growth is expected at clock at -2.5% owing to demand slowdown. The government is taking administrative measures to control imports which will reduce service sector growth to 3.7%.

The international commodities have eased from their recent high but energy prices remain stubbornly high. We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 13% YoY to USD 63bn as we may witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 7.3bn (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4bn (4.5% of GDP) in FY22.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. In addition, the aid commitment by multilateral agencies should lend support to foreign inflows. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns.

The rupee has now recovered from its recent low as more clarity has emerged on foreign assistance from multilateral agencies. In addition, the statement given by the new finance minister regarding the overvaluation of dollar curbed speculation in the market. However, materialization of foreign inflows will be crucial to build sufficient reserve and lend support to the currency. We expect USD/PKR to close at 240 by fiscal year end on an assumed REER of 95.

We expect Average FY23 inflation to clock at 24.7% assuming international oil stays around USD 100/bbl. The government has increased petroleum and electricity prices, which will lead to a bout of inflationary pressure. We will also witness the second round impact of the currency devaluation which will keep inflation numbers elevated for remainder of the year. Food inflation is also expected to stay elevated due to the recent floods. SBP has already increased policy rate to 15.0% to cool aggregate demand and deescalate inflationary pressure. Given the significant economic slowdown and demand curtailment we do not rule out a scenario where SBP keeps real interest rates negative.

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 9.4%, a discount of 55% from its historical average. Similarly, risk premiums are close to 7.8%, compared to historical average of 2.2% signifying deep discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 5.0x, while offering a dividend yield of 10.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

### 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'



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 21, 2022



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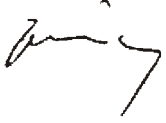
**Nasim Beg**  
Director / Vice Chairman

## ڈائریکٹرز رپورٹ

اظہار تشکر

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

منجانب ڈائریکٹرز



نسیم بیگ

ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

21 اکتوبر 2022ء



## ڈائریکٹر رپورٹ

بین الاقوامی اشیاء کی قیمتیں حالیہ بلند سطح سے نیچے آئی ہیں لیکن توانائی کی قیمتیں ابھی تک آسمان سے باتیں کر رہی ہیں۔ ہم اُمید کرتے ہیں کہ حکومت درآمدات پر مضبوط لگام ڈالے رکھے گی اور ڈالر کے غیر ضروری اخراجاتی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 13 فیصد سال در سال (YoY) کم ہو کر 63 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد شعبوں میں خجوماتی سنکچر دیکھا جائے گا۔ چنانچہ مالی سال 2023ء میں سی اے ڈی متوقع طور پر کم ہو کر 7.3 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا، جو مالی سال 2022ء (17.4 بلین ڈالر - جی ڈی پی کا 4.5 فیصد) کے مقابلے میں بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیاب بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جیتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ علاوہ ازیں، کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمداتی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ دقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سنکک جاری کریں۔ FDI اور RDA سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہی ہیں گی۔ چنانچہ اس سال ہمیں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

روپے کی قدر حالیہ پست سطح سے بحال ہوئی ہے کیونکہ کثیر الجہتی ایجنسیوں سے غیر ملکی امداد کے حوالے سے صورتحال مزید واضح ہوئی ہے۔ علاوہ ازیں، نئے وزیر خزانہ کے ڈالر کی بیش قدری سے متعلق بیان سے بازار میں قیاس آرائی میں کمی ہوئی۔ تاہم خاطر خواہ ذخائر جمع کرنے اور روپے کو سہارا فراہم کرنے کے لیے غیر ملکی آمداتی بہاؤ کا عملی جامہ پہننا بے حد ضروری ہوگا۔ ہماری توقع کے مطابق مالی سال کے اختتام پر (REER کے 95 ہونے کے مفروضے پر) ڈالر کے مقابلے میں روپے کی قدر 240 ہوگی۔

مالی سال 2023ء میں اوسط مہنگائی 24.7 فیصد متوقع ہے، بشرطیکہ تیل بین الاقوامی سطح پر تقریباً 100 ڈالر فی بیرل پر برقرار رہے۔ حکومت نے پٹرول اور بجلی کی قیمتوں میں اضافہ کیا ہے جس کے نتیجے میں مہنگائی کی دباؤ میں شدت آئے گی۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور بھی دیکھنے میں آئے گا جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ حالیہ سیلابوں کے سبب اشیاء خورد و نوش کی قیمتیں بھی بلند رہنے کا امکان ہے۔ اسٹیٹ بینک آف پاکستان نے پہلے ہی پالیسی شرح کو بڑھا کر 15.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں اچھی خاصی سست رفتاری اور مانگ میں کمی کے باعث ایس بی پی کے حقیقی شروع سود کو منفی رکھنے کا امکان خارج از بحث نہیں ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مدنظر رکھا ہے۔ مارکیٹ cap جی ڈی پی کے ساتھ تناسب کم ہو کر 9.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کمی ہے۔ اسی طرح، خطرات کے پیمائش 7.8 فیصد کے قریب ہیں، اور ان کے قدیم اوسط 2.2 فیصد سے موازنہ کرنے پر اُس بھرپور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 5.0x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 10.2 فیصد پر ہے۔

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

## ڈائریکٹر رپورٹ

### ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس اختتام سہ ماہی کے قریب 1.0 فیصد کم ہو کر 41,129 پوائنٹس ہو گیا۔ زیر جائزہ مدت شدید غیر یقینی صورتحال کا شکار رہی کیونکہ آئی ایم ایف کے ساتھ پاکستان کے ساتویں اور آٹھویں جائزے کی تکمیل کے حوالے سے ابتدائی جوش و خروش، اور دوست ممالک سے 4 بلین ڈالر تک کے مالی تعاون کی یقین دہانیاں، ملک میں تباہ کن سیلابوں کے باعث جلد ہی منظر عام سے غائب ہو گئیں۔ علاوہ ازیں، دوران مدت ڈالر کے مقابلے میں روپے کی قدر بھی غیر یقینی صورتحال کا شکار رہی، گزشتہ 47 برسوں کی سب سے زیادہ مہنگا بنیدیکھنے میں آئی، اسٹیٹ بینک آف پاکستان کے ذخائر میں مسلسل کمی ہوتی رہی، اور سیاسی دھماچو لڑی ہوتی رہی، اور ان تمام عوامل نے سرمایہ کاروں کی گرم جوشی پر پانی پھیرنے میں کردار ادا کیا۔ غیر ملکی افراد net خریدار بن کر سامنے آئے اور 17 ملین ڈالر آمد آتی بہاؤ کا سبب بنے، جس کی بنیادی وجہ یہ تھی کہ ایسوسی ایٹ کمپنی نے TRG کے حصص واپس خرید لیے، جبکہ مقامی سطح پر بیمہ اور میوچل فنڈ فروخت کار رہے اور بالترتیب 41 ملین ڈالر اور 35 ملین ڈالر کے اخراجات بہاؤ کا سبب بنے۔ دوران سہ ماہی اوسط تجارتی حجم میں 218 ملین حصص کی کمی ہوئی، جبکہ سابقہ سہ ماہی میں تقریباً 247 ملین حصص کی کمی ہوئی تھی۔ اسی طرح، دوران سہ ماہی اوسط تجارتی قدر گزشتہ سہ ماہی کے مقابلے میں 16 فیصد کم ہو کر 31 ملین ڈالر ہو گئی۔ انڈیکس میں کمی میں اہم ترین کردار کھاد، کمرشل بینکوں، تیل اور گیس کی دریافت کی کمپنیوں اور گاڑیوں کی اسمبلنگ کے شعبوں نے ادا کیا جنہوں نے بالترتیب 380-، 260-، 250- اور 158- پوائنٹس پوسٹ کیے۔ کھاد، اور تیل اور گیس کی دریافت، کی کمپنیوں کی ناقص کارکردگی کی وجہ کمپنیوں سے متوقع سے کم تر payout ہے۔ بینکاری کے شعبے میں تنزل کا سبب HBL کی منفی کارکردگی بوجہ بین الاقوامی جانچ پڑتال تھی۔ گاڑیوں کی اسمبلنگ کا شعبہ اسٹیٹ بینک آف پاکستان کی عائد کردہ پابندیوں کے نتیجے میں ناقص خجما تہی فروخت کے باعث مشکلات کا شکار رہا۔ دوسری جانب ٹیکنالوجی اور سیمنٹ کے شعبے نے انڈیکس میں بالترتیب 761 اور 276 پوائنٹس کا اضافہ کیا۔

### فنڈ کی کارکردگی

مدت کے دوران، ALHISF نے (0.33) فیصد کا منافع پوسٹ کیا، جبکہ مقررہ معیار منافع (1.90) فیصد تھا۔ مدت کے اختتام پر فنڈ کی مجموعی ایکویٹی ایکسپوزر 92.2 فیصد رہی۔ فنڈ نے مختلف سیکٹر اور کمپنی کی سطح کی بنیادی پیش رفت سے نمٹنے کے لیے سہ ماہی کے دوران کئی بار اپنی سرمایہ کاری کی حکمت عملی تبدیل کی۔ اس مدت کے دوران، فنڈ نے تیل اور گیس کرنے والی کمپنیوں، سیمنٹ اور کمرشل بینکوں میں بڑے پیمانے پر سرمایہ کاری کی تھی۔ 30 ستمبر 2022 کو فنڈ کے Inet اثاثہ جات 2,424 ملین روپے تھے، جو 30 جون 2022 کو 2,430 ملین روپے کے مقابلے میں (0.24) فیصد کمی ہے۔ 30 ستمبر 2022 کو Inet اثاثہ جاتی قدر (این اے وی) فی یونٹ 9.07 روپے تھی، جو 30 جون 2022 کو ابتدائی این اے وی 9.10 روپے فی یونٹ کے مقابلے میں 0.03 روپے فی یونٹ کی کمی ہے۔

### معیشت اور بازار - مستقبل کے امکانات

مالی سال 2022ء میں پاکستان کی مجموعی ملکی پیداوار (ج ڈی پی) کی ترقی 6.0 فیصد تھی۔ زراعت، صنعت اور خدمات کے شعبوں نے بالترتیب 4.4 فیصد، 7.2 فیصد اور 6.2 فیصد ترقی کی۔ مالی سال 2023ء میں جی ڈی پی کی ترقی میں 2.0 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور حالیہ سیلابوں کے نتیجے میں معیشت سست رفتاری کا شکار ہوگی۔ کپاس اور چاول کی فصل میں نقصان کے باعث زرعی ترقی منکڑ کر 1.2 فیصد ہو جائے گی جبکہ صنعتی ترقی (مانگ میں سست رفتاری کے باعث) (2.5) فیصد متوقع ہے۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس سے خدمات کے شعبے کی ترقی منکڑ کر 3.7 فیصد ہو جائے گی۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

منجانب بورڈ آف ڈائریکٹرز الحمر اسلامک سٹاک فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 30 ستمبر 2022ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

نئے مالی سال کا آغاز فقید المثال برسات سے ہوا جس نے پاکستان کی مسائل میں گھری معیشت کو مزید مشکلات سے دوچار کر دیا۔ ملک میں گزشتہ تیس برسوں کی اوسط بارش 135mm سے تین گنا زیادہ بارشیں ہوئیں جس کے نتیجے میں انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ سیلاب ہماری پہلے سے خستہ حال معیشت پر براہ راست وار کریں گے جو مہنگائی میں اضافے، کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں مزید بگاڑ، مالیاتی تناؤ، اور عالمی سطح پر مشکلات کے نتیجے میں مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی میں کمی کی صورت میں ظاہر ہوگا۔

سیلابوں سے سب سے زیادہ متاثر ہونے والی فصلیں کپاس اور چاول ہیں۔ کپاس کی درآمد میں 2.5 ملین گانٹھیں اضافہ متوقع ہے جس کا مطلب درآمداتی بل میں تقریباً 1.1 بلین ڈالر اضافہ ہے۔ اسی طرح، چاول کی درآمد میں 20 فیصد کمی متوقع ہے جس کے نتیجے میں برآمدات میں 500 ملین ڈالر کمی آئے گی۔ جسکے باعث خسارہ میں 1.6 بلین ڈالر اضافہ ہوگا۔ مہنگائی میں بھی مختصر میعاد میں اضافہ ہو سکتا ہے کیونکہ زنجیر رسد میں بگاڑ کے نتیجے میں جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتیں بڑھ جائیں گی۔

زراعت کا جی ڈی پی میں حصہ تقریباً 22.7 فیصد ہے جس میں مویشیوں کا حصہ 14.0 فیصد اور فصلوں کا حصہ 7.8 فیصد ہے۔ سیلابوں کے باعث مالی سال 2023ء میں ترقی کی شرح 0.4 فیصد کم ہو کر 2.0 فیصد رہ جائے گی۔ مالیاتی جہت میں حکومت کو سیلاب متاثرین کی بحالی کے لیے زیادہ رقم خرچ کرنا ہوگی۔ اس کے نتیجے میں مالیاتی اعتبار سے پھسلنے کا خطرہ بڑھ جائے گا اور مالی سال 2023ء میں 153 بلین روپے (جی ڈی پی کا 0.2 فیصد) پر انٹری بجٹ surplus کا ہمارا ہدف چوک سکتا ہے۔

مالی سال 2023ء کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 1.9 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 2.4 بلین ڈالر کے مقابلے میں 20 فیصد بہتری ہے۔ اس کا اہم ترین سبب تجارتی خسارے میں 11 فیصد کمی ہے جو برآمدات میں 11.2 فیصد اضافے اور درآمدات میں 2.1 فیصد کمی کا مجموعی نتیجہ ہے۔ سی اے ڈی کے علاوہ قرضوں کی ادائیگیوں نے بھی زیر مبادلہ کے ذخائر پر مزید دباؤ ڈالا، جو مزید 1.9 بلین ڈالر کم ہو کر 7.9 بلین ڈالر رہ گئے ہیں، اور یہ 6 ہفتوں کے لیے بھی بمشکل کافی ہوں گے۔ چنانچہ ڈالر کے مقابلے میں روپے کی قدر 11 فیصد گھٹ کر اختتام سہ ماہی پر 227 روپے فی ڈالر رہ گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI سے ہوتی ہے، کا اوسط دوران سہ ماہی 25.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 8.6 فیصد تھا۔ سیلابوں کے نتیجے میں اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی سے ہوتا ہے۔ جنہیں 15.7 فیصد ہوا جو گزشتہ سہ ماہی کے اختتام پر 12.3 فیصد تھا۔ اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں جولائی 2022ء کی مانیٹرنگ پالیسی میں مزید 125 بیسیس پوائنٹس (bps) کا اضافہ کیا جبکہ اکتوبر 2022ء میں منعقدہ تازہ ترین MPS میں سود کی شرحوں کو برقرار رکھا۔ مالیاتی جہت میں فیڈرل بورڈ آف ریونیو کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی سہ ماہی میں 17.1 فیصد اضافہ ہوا اور 1,635 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل سہ ماہی میں 1,396 بلین روپے تھے۔ اس طرح ہدف سے 25 بلین روپے زیادہ ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دوران سہ ماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دوران سہ ماہی 3، 6 اور 12 ماہانہ ریٹریبلن (ٹی-بلن) کے منافع جات میں بالترتیب 50، 52 اور 44 پی ایس، جبکہ 3 اور 5 سالہ بانڈز کے منافع جات میں بالترتیب 38 اور 19 پی ایس کا اضافہ ہوا۔

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Balance with banks	5	182,508	141,898
Investments	6	2,338,659	2,306,876
Receivable against sale of investments		5,474	42,371
Dividend and markup receivable		5,446	2,052
Advances, deposits and other receivable		3,541	4,121
Total assets		2,535,629	2,497,318
LIABILITIES			
Payable to the Management Company		12,667	13,788
Payable to the Central Depository Company of Pakistan Limited - Trustee		317	330
Payable to the Securities and Exchange Commission of Pakistan		122	638
Payable against purchase of investments		76,550	27,702
Accrued expenses and other liabilities	7.	21,685	24,517
Total liabilities		111,340	66,975
NET ASSETS			
		2,424,288	2,430,343
Unit holders' fund (as per statement attached)		2,424,288	2,430,343
Contingencies and commitments			
	8.		
----- (Number of units) -----			
Number Of Units In Issue		267,364,790	267,102,604
----- (Rupees) -----			
NET ASSETS VALUE PER UNIT			
		9.07	9.10

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

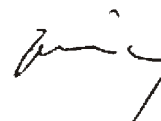
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,	
		2022	2021
Note		----- (Rupees in '000) -----	
<b>INCOME</b>			
	Capital gain / (loss) on sale of investments	24,495	(16,718)
	Dividend income	23,753	36,764
	Markup on bank deposits	5,007	2,295
	Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss'	(31,509)	(275,249)
5.1	<b>Total Income / (Loss)</b>	<b>21,745</b>	<b>(252,908)</b>
<b>EXPENSES</b>			
	Remuneration of the Management Company	12,197	19,144
	Sindh Sales Tax on remuneration of the Management Company	1,586	2,489
	Remuneration of the Central Depository Company of Pakistan Limited - Trustees	862	1,209
	Sindh Sales tax on remuneration of Trustee	112	157
	Securities and Exchange Commission of Pakistan - annual fee	122	191
	Allocated expense	610	957
	Selling and marketing expenses	7,928	12,443
	Brokerage,Settlement and bank charges	2,510	4,659
	Fees and subscription	7	7
	Legal and professional charges	68	436
	Shariah advisory fee	182	182
	Donation	31	1,297
	Auditors' remuneration	112	114
	Printing and related costs	875	25
	<b>Total expenses</b>	<b>27,201</b>	<b>43,310</b>
	<b>Net Loss from operating activities</b>	<b>(5,456)</b>	<b>(296,217)</b>
	Sindh Workers' Welfare Fund	-	27,763
	<b>Net Loss for the period before taxation</b>	<b>(5,456)</b>	<b>(268,454)</b>
	Taxation	-	-
9	<b>Net Loss for the period</b>	<b>(5,456)</b>	<b>(268,454)</b>
	<b>Allocation of net Income for the period:</b>		
	Net Income for the period	-	-
	Income already paid on units redeemed	-	-
		-	-
	<b>Accounting income available for distribution:</b>		
	- Relating to capital gains	-	-
	- Excluding capital gains	-	-
		-	-
		-	-
	<b>Earning / (Loss) per unit</b>		

10

The annexed notes from 1 to 15 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 OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,	
	2022	2021
	----- (Rupees in '000) -----	
Net Loss for the period after taxation	(5,456)	(268,454)
Other comprehensive Loss for the period		
Total comprehensive (loss) / income for the period	(5,456)	(268,454)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

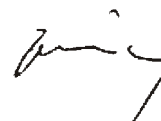
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

M. Javali

Amelia

Price

184

# ALHAMRA ISLAMIC STOCK FUND

# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,	
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Loss for the period before taxation	(5,456)	(268,454)
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) in value of investments classified as 'at fair value through profit or loss' - net	31,509	275,249
Dividend income	(23,753)	(36,764)
	<u>2,300</u>	<u>(29,969)</u>
<b>Decrease / (Increase) in assets</b>		
Investments	(63,292)	(199,846)
Dividend, markup and other receivable	1,071	603
Advance Against Bookbuilding	-	(3,057)
Advances and deposits	580	-
Receivable against sale of investments	36,897	(55,781)
	<u>(24,745)</u>	<u>(258,081)</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(9,309)	2,024
Payable to the Central Depository Company of Pakistan Limited - Trustee	(13)	24
Payable to Securities and Exchange Commission of Pakistan	(516)	(500)
Payable against purchase of investments	48,848	(28,761)
Accrued expenses and other liabilities	5,356	(28,016)
	<u>44,365</u>	<u>(55,229)</u>
Dividend Received	<u>19,288</u>	<u>5,951</u>
<b>Net cash used in operating activities</b>	<u>41,209</u>	<u>(337,328)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	415,011	1,345,204
Payments on redemption of units	(415,610)	(1,042,281)
<b>Net cash (used in) / generated from financing activities</b>	<u>(599)</u>	<u>302,922</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>40,610</b>	<b>(34,406)</b>
Cash and cash equivalents at beginning of the period	<u>141,898</u>	<u>126,051</u>
<b>Cash and cash equivalents at end of the period</b>	<u><b>182,508</b></u>	<u><b>91,645</b></u>

The annexed notes from 1 to 15 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 QUARTER ENDED SEPTEMBER 30, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Stock Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October May 26, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Formation of the Fund as a closed-end fund was authorized by SECP on May 13, 2004, however with effect from November 11, 2010 the Fund was converted into open-end fund. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 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 Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is categorised as "Shariah Compliant Islamic Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturity. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2022 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

### 2. BASIS OF PREPARATION

#### 2.1. STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

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

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, 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.

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2022.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

- 2.1.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2021.
- 2.1.4** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.5** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.6** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

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

### 4. Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2022.

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>5. BALANCE WITH BANKS</b>			
- in saving accounts	5.1	161,630	107,905
- in current accounts	5.2	20,878	18,146
		<u>182,508</u>	<u>126,051</u>

- 5.1** These carry profit at rates ranging between 12.25% to 16.00% (June 30, 2022 6.60% to 15.51%) per annum. These include Rs. 0.01 million (June 30, 2021 Rs 0.01 million) held with MCB Islamic Bank Limited (related parties).
- 5.2** These include Rs. 8.504 million (30 June 2021: Rs. 5.022) million held with MCB Bank Limited (a related party).

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

## 6. INVESTMENTS

### 'At fair value through profit or loss'

Listed equity securities

	(Un-Audited) September 30, 2022	(Audited) June 30, 2022
Note	----- (Rupees in '000)	-----
6.1	2,338,659	2,306,876

### 6.1 Listed equity securities - 'At fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	Number of shares					Balance as at September 30, 2022			Market value	
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2022	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
<b>Automobile Assembler</b>										
Pak Suzuki Motors Company Limited	500	-	-	-	500	106	94	(12)	0.00%	0.00%
						106	94	(12)		
<b>Automobile Parts &amp; Accessories</b>										
Agriauto Industries Limited**	47,500	-	-	200	47,300	6,338	5,842	(496)	0.24%	0.25%
Thal Limited**	81,300	3,500	-	-	84,800	22,721	23,245	524	0.96%	0.99%
						29,059	29,087	28		
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	1,475,300	1,080,000	-	-	2,555,300	41,371	40,961	(410)	1.69%	1.75%
						41,371	40,961	(410)		
<b>Cement</b>										
Cherat Cement Company Limited	375,068	300,000	-	125,068	550,000	55,051	63,564	8,513	2.62%	2.72%
D.G. Khan Cement Company Limited	500,000	446,000	-	346,000	600,000	36,971	36,372	(599)	1.50%	1.56%
Fauji Cement Company Limited	9,405,500	1,900,500	-	956,000	10,350,000	147,208	155,147	7,938	6.40%	6.63%
Gharibwal Cement Ltd	612,000	-	-	12,000	600,000	11,700	12,600	900	0.52%	0.54%
Kohat Cement Company Limited	360,050	13,900	-	69,500	304,450	39,746	48,712	8,966	2.01%	2.08%
Lucky Cement Limited	342,500	70,000	-	77,500	335,000	155,493	166,348	10,855	6.86%	7.11%
Maple Leaf Cement Factory Limited	4,150,000	494,122	-	1,813,000	2,831,122	77,430	78,875	1,445	3.25%	3.37%
						523,598	561,617	38,018		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

Name of the Investee Company	Number of shares				Balance as at September 30, 2022			Market value	
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2022	Carrying value	Market Value	As a percentage of net assets	As a percentage of total investments
<b>Chemicals</b>									
Descon Oxychem Limited	-	25,000	-	-	25,000	538	526	0.02%	0.02%
						<b>538</b>	<b>526</b>		
<b>Commercial Banks</b>									
BankIslami Pakistan Limited	5,419,500	880,500	-	-	6,300,000	75,451	67,473	2.78%	2.89%
Faysal Bank Limited	-	1,800,000	-	-	1,800,000	49,679	47,394	1.95%	2.03%
Meezan Bank Limited	2,121,451	166,771	208,000	384,222	2,112,000	218,454	231,792	9.56%	9.91%
						<b>343,584</b>	<b>346,659</b>		<b>3,075</b>
<b>Engineering</b>									
AGHA STEEL IND. LTD	250	-	-	-	250	4	4	0.00%	0.00%
Aisha Steel Mills Limited	1,599,990	950,306	-	99,990	2,450,306	27,369	25,336	1.05%	1.08%
Amreli Steels Limited	560,000	-	-	560,000	-	-	-	0.00%	0.00%
International Industries Limited	125,000	-	-	10,000	115,000	11,929	11,574	0.48%	0.49%
Mughal Iron & Steel Industries Limited	645,000	176,186	-	75,000	746,186	44,138	48,636	2.01%	2.08%
						<b>83,439</b>	<b>85,550</b>		<b>2,111</b>
<b>Fertilizer</b>									
Engro Corporation Limited	470,000	214,500	-	-	684,500	172,937	158,475	6.54%	6.78%
Engro Fertilizer Limited	950,000	216,825	-	170,825	996,000	86,357	77,708	3.21%	3.32%
Fauji Fertilizer Bin Qasim Limited	830,000	393,000	-	323,000	900,000	18,311	17,478	0.72%	0.75%
						<b>277,605</b>	<b>253,661</b>		<b>(23,944)</b>
<b>Food &amp; Personal Care Products</b>									
AT-TAHUR LIMITED	600,920	200,000	-	-	800,920	15,810	17,820	0.74%	0.76%
The Organic Meat Company Limited	1,576,000	174,000	-	-	1,750,000	38,111	37,205	1.53%	1.59%
						<b>53,920</b>	<b>55,025</b>		<b>1,105</b>
<b>Glass &amp; Ceramics</b>									
Shabbir Tiles & Ceramics Limited	737,500	255,500	-	-	993,000	14,471	13,564	0.56%	0.58%
Tariq Glass Industries	300,000	-	-	300,000	-	-	-	0.00%	0.00%
						<b>14,471</b>	<b>13,564</b>		<b>(907)</b>
<b>Miscellaneous</b>									
Shifa International Hospitals	140,030	20,000	-	-	160,030	28,104	24,547	1.01%	1.05%
						<b>28,104</b>	<b>24,547</b>		<b>(3,557)</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

Name of the Investee Company	Number of shares					Balance as at September 30, 2022			Market value	
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2022	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
										----- % -----
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	129,000	5,000	-	15,500	118,500	205,185	185,430	(19,756)	7.65%	7.93%
Oil & Gas Development Company Limited***	900,000	575,000	-	250,000	1,225,000	98,686	92,757	(5,929)	3.83%	3.97%
Pakistan Oilfields Limited	60,000	8,500	-	-	68,500	27,668	23,915	(3,753)	0.99%	1.02%
Pakistan Petroleum Limited	1,400,000	277,000	-	177,000	1,500,000	102,009	92,175	(9,834)	3.80%	3.94%
						<b>433,549</b>	<b>394,277</b>	<b>(39,272)</b>		
<b>Oil And Gas Marketing Companies</b>										
Attock Petroleum Limited	32,000	40,300	-	72,300	-	-	-	-	0.00%	0.00%
<b>Paper And Board</b>										
Packages Limited	63,300	2,000	-	2,700	62,600	24,976	25,543	568	1.05%	1.09%
						<b>24,976</b>	<b>25,543</b>	<b>568</b>		
<b>Pharmaceuticals</b>										
Agp Limited	257,410	51,069	-	-	308,479	26,652	24,941	(1,712)	1.03%	1.07%
Citi Pharma Limited	1,100,000	159,000	-	-	1,259,000	41,269	37,757	(3,512)	1.56%	1.61%
Ferozsons Laboratories Limited	-	80,000	14,000	-	94,000	20,433	18,801	(1,632)	0.78%	0.80%
Glaxosmithkline Consumer Healthcare Pakistan Limited	177,000	10,700	-	18,700	169,000	40,131	36,859	(3,272)	1.52%	1.58%
Highmoon Laboratories Limited	15,825	-	-	15,800	25	13	13	(0)	0.00%	0.00%
						<b>128,498</b>	<b>118,371</b>	<b>(10,127)</b>		
<b>Power Generation &amp; Distribution</b>										
Hub Power Company Limited***	1,275,000	62,500	-	637,500	700,000	47,580	48,937	1,357	2.02%	2.09%
						<b>47,580</b>	<b>48,937</b>	<b>1,357</b>		
<b>Refinery</b>										
Attock Refinery Limited	275,000	55,000	-	170,000	160,000	27,443	23,555	(3,888)	0.97%	1.01%
						<b>27,443</b>	<b>23,555</b>	<b>(3,888)</b>		
<b>Technology &amp; Communications</b>										
Air Link Communication Ltd	593,000	-	-	261,500	331,500	13,389	11,990	(1,399)	0.49%	0.51%
Avanceon Limited	-	325,000	-	-	325,000	26,317	24,193	(2,124)	1.00%	1.03%
Octopus Digital Limited	-	350,500	-	-	350,500	24,889	22,555	(2,334)	0.93%	0.96%
Systems Limited	185,000	132,767	-	27,767	290,000	99,671	109,469	9,799	4.52%	4.68%
						<b>164,266</b>	<b>168,207</b>	<b>3,941</b>		
<b>Textile Composite</b>										
Interloop Limited	400,000	542,429	-	117,652	824,777	51,398	51,920	521	2.14%	2.22%
Kohinoor Textile Mills Limited	852,800	125,000	-	27,000	950,800	47,540	51,067	3,527	2.11%	2.18%
Nishat (Chunian) Limited	1,650,000	700,000	-	1,650,000	700,000	27,119	25,053	(2,066)	1.03%	1.07%
Nishat Mills Limited	835,000	94,000	-	629,000	300,000	22,004	20,436	(1,568)	0.84%	0.87%
						<b>148,061</b>	<b>148,476</b>	<b>415</b>		

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Name of the investee Company	Number of shares				Balance as at September 30, 2022			Market value	
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2022	Carrying value	Market Value	As a percentage of net assets	As a percentage of total investments

%

(Rupees in '000)

Total as at September 30, 2022 (Unaudited)

2,370,168 2,338,659 (31,509)

Total as at June 30, 2022 (Audited)

2,728,320 2,306,876 (421,444)

\* These have a face value of Rs.3.5 per share

\*\* These have a face value of Rs.5 per share

\*\*\* Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

## Name of security

The Hub Power Company Limited  
Oil & Gas Development Company Limited

(Unaudited) September 30, 2022	(Audited) June 30, 2022	(Unaudited) September 30, 2022	(Audited) June 30, 2022
--- (Number of shares) ---	---	--- (Rupees in '000) ---	---
650,000	650,000	45,442	51,786
700,000	700,000	53,004	66,521
1,350,000	1,350,000	98,446	118,307

6.1.1 As at September 30, 2022, the bonus shares of the Islamic Stock Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.0336 million.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty and related tax on	7.1		
- Management fee		5,689	5,689
- Sales load		125	125
Auditors' remuneration		379	266
Unclaimed Dividend		12,236	12,236
Brokerage payable		1,867	992
Withholding tax payable		24	47
Charity / donation payable		854	4,808
Others		511	354
		<b>21,685</b>	<b>24,517</b>

**7.1 Federal Excise Duty and related tax payable**

There is no change in the status of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2022. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2022 would have been higher/lower by Re. 0.02 per unit (June 30, 2022: Re. 0.02 per unit).

**8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2022 and June 30, 2022.

**9. 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 realized or unrealized 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 management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

**10. Earning / (Loss) per unit**

Earnings/(Loss) per unit 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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 11. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.44% (September 30, 2021: 4.52%) and this includes 0.27% (September 30, 2021: 0.27%) representing government levy, SECP fee etc.

### 12. TRANSACTIONS 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 and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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

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

For the Quarter ended September 30, 2022								
	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022
	Units				(Rupees in '000)			
<b>Group / associated companies</b>								
Nishat Mills Limited	1,121,411	-	-	1,121,411	10,205	-	-	10,171
D.G. Khan Cement Company Limited - Employees Provident Fund	462,336	-	-	462,336	4,207	-	-	4,193
MCB-Arif Habib Savings And - Investments Limited	1,911,887	-	1,911,887	-	17,398	-	18,086	-
Adamjee Life Assurance Company Limited - Non-Unitised Investment Linked Fund	-	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	72,848,990	11,037,528	-	83,886,518	662,926	-	-	760,851
Asghari Beg Memorial Trust	368,021	-	-	368,021	3,349	-	-	3,338
Adamjee Life Assurance Company Limited - Amanat Fund	17,205,899	-	-	17,205,899	156,574	-	-	156,058
Adamjee Life Assurance Company Limited - MAZAAF	41,547,236	-	-	41,547,236	378,080	-	-	376,833
Hyundai Nishat Motor Private Limited - Employees Provident Fund	167,542	715,859	-	883,401	1,525	16,820	-	8,012
DCCL Trustee Alhambra Smart Portfolio	3,869,444	-	958,154	2,911,290	35,212	-	8,873	26,405
<b>Key management personnel</b>	1,902,153	5,843,687	6,739,758	1,006,081	17,310	55,071	63,240	9,125
<b>Mandate under discretionary portfolio services</b>	5,042,907	7,652,923	2,504,707	10,191,123	45,890	69,482	23,572	92,433
<b>Unit Holders Holding 10% or More</b>	36,087,618	-	-	36,087,618	328,397	-	-	327,315



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

For the Quarter ended September 30, 2021

As at July 01, 2021	Issued for cash	Redeemed	As at September 30, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at September 30, 2021
------------------------	--------------------	----------	--------------------------------	------------------------	--------------------	----------	--------------------------------

Units

(Rupees in '000)

## Group / associated companies

Nishat Mills Limited	1,121,411	-	-	1,121,411	12,661	-	-	11,786
D.G. Khan Cement Company Limited - Employees Provident Fund	462,336	-	-	462,336	5,220	-	-	4,859
MCB-Arif Habib Savings And - Investments Limited	2,164,502	-	-	2,164,502	24,437	-	-	22,749
Adamjee Life Assurance Company Limited - Non-Unitised Investment Linked Fund	10,803,462	-	-	10,803,462	121,971	-	-	113,544
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	99,292,172	-	-	99,292,172	1,121,009	-	-	1,043,561
Asghari Beg Memorial Trust	387,764	-	-	387,764	4,378	-	-	4,075
Adamjee Life Assurance Company Limited - Amanat Fund	17,293,090	352,423	-	17,645,513	195,239	4,000	-	185,454
Adamjee Life Assurance Company Limited - MAZAAF	30,061,811	2,298,821	-	32,360,632	339,398	25,000	-	340,110
Hyundai Nishat Motor Private Limited - Employees Provident Fund	-	1,483,930	-	1,483,930	-	16,820	-	15,596
MCBFSL Trustee Alhamra Smart Portfolio	2,681,101	1,809,658	655,293	3,835,465	30,270	20,628	7,101	40,311
Key management personnel	1,834,806	2,457,453	1,943,956	2,348,303	20,715	27,900	22,385	24,681
Mandate under discretionary portfolio services	18,418,246	6,757,267	2,303,221	22,872,292	207,942	76,414	25,335	240,388

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

	(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
	----- (Rupees in '000) -----	
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration (including indirect taxes)	13,783	21,633
Expenses allocated by the Management Company and related sales tax	610	957
Shariah advisory fee	182	182
Selling and marketing expenses	7,928	12,443
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	974	1,366
Settlement charges including indirect taxes	61	-
<b>Group / associated companies</b>		
<b>Arif Habib Limited</b>		
Brokerage expense *	86	86
<b>MCB Bank Limited</b>		
Bank charges	3	13
<b>MCB Islamic Bank Limited</b>		
Profit on Bank Deposits	-	-
<b>Nishat Mills Limited</b>		
Purchase 94,000 (2021: 395,700) shares	6,541	38,189
Sales of 629,000 Shares (2021: 17,000) shares	45,111	1,519
<b>Aisha Steel Mills Limited</b>		
Purchase 950,306 (2021: Nil) shares	10,794	-
Sales of 99,990 (2021: Nil) shares	1,120	-
<b>D.G. Khan Cement Company Limited</b>		
Purchase of 446,000 (2021: Nil) shares	27,129	-
Sales of 346,000 (2021: 173,616) shares	20,946	17,355
<b>Nishat (Chunian) Limited</b>		
Purchase of 700,000 (2021: Nil) shares	27,119	-
Sales of 1,650,000 (2021: Nil) shares	77,760	-
<b>Pak Elektron Limited</b>		
Purchase of 1,080,000 (2021: Nil) shares	17,929	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	(Unaudited) September 30, 2022	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
<b>12.3 Amount outstanding as at period end / year end</b>		
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration payable	3,964	4,181
Sales tax payable on Management remuneration	515	544
Expense allocated by the Management Company	198	209
Sales load payable	0	5
Shariah advisory fee payable	62	60
Selling and marketing expenses payable	7,928	8,789
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable (including indirect taxes)	317	330
Security deposit	300	300
<b>Arif Habib Limited</b>		
Brokerage payable *	64	1
<b>MCB Bank Limited</b>		
Balances with bank	8,504	5,022
<b>MCB Islamic Bank Limited</b>		
Balances with bank	10	10
<b>D.G. Khan Cement Company Limited</b>		
600,000 shares held (June 30, 2022: 500,000 Shares)	36,372	31,250
<b>Nishat Mills Limited</b>		
300,000 shares held (June 30, 2022: 835,000 shares)	20,436	61,715
<b>Pak Elektron Limited</b>		
2,555,300 shares held (June 30, 2022: 1,475,300 shares)	40,961	23,443
<b>Aisha Steel Mills Limited</b>		
2,450,306 shares held (June 30, 2022: 1,599,990 shares)	25,336	17,680
<b>Nishat (Chunian) Limited</b>		
700,000 shares held (June 30, 2022: 1,650,000 shares)	25,053	73,904

\* The amount disclosed represents the amount of brokerage paid / payable to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 13 FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

### 14. GENERAL

15.1. Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

15.2. Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

### 15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 21, 2022 by the Board of Directors of the Management Company.

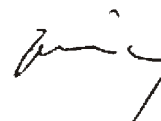
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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

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