



# ANNUAL REPORT 2022

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



# **ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND**

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## 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>Digital Custodian Company Limited</b> 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
<b>Bankers</b>	MCB Bank Limited Dubai Islamic Bank 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 YEAR ENDED JUNE 30, 2022

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Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Smart Portfolio** accounts review for the year ended June 30, 2022.

## **Economy and Money Market Review**

Fiscal year 2022 (FY22) remained a difficult year for Pakistan as the country faced multiple challenges on macroeconomic front along with political uncertainty. While the economy weathered the Covid challenge relatively well, reopening of global economies and supply chain disruptions stimulated a spike in global commodity prices increasing pressure on trade deficit. Russia- Ukraine war pushed the commodity prices even further, exacerbating the already widening trade deficit with highest ever import bill during the year. A spike in energy and food prices coupled with a weak exchange rate led to a sharp pickup in domestic inflation. Commodity price led Inflationary trends were also visible in global economies particularly US and Eurozone and consequent tightening has raised fears of a broader recession.

Pakistan's economy was already coping with macroeconomic challenges and the political upheaval further aggravated the situation. The elevated political noise led to populist measures like fuel and power subsidies undermining the much needed fiscal adjustments. In addition, an unscheduled change of country's leadership and ensuring political uncertainty led to delay in policy actions and adjustments needed for IMF program.

The country posted a current account deficit of USD 15.2bn in 11MFY22 compared to a deficit of USD 1.1bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 15.9bn in first eleven months of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 36.5% in 11MFY22 compared to export growth of 26.7%. Trade Deficit increased by 45.5% to USD 36.1bn compared to USD 24.8bn in the 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.

Foreign exchange reserves of central bank declined by USD 7.4bn in FY22 on account of higher current account deficit and debt repayments. In addition, delay in IMF program led to slowdown in other foreign inflows which dragged the reserves to USD 9.8bn, implying an import cover of 1.7 months. These outflows coupled with widening current account deficit led PKR to weaken by 23.0% against USD since start of the fiscal year.

Inflation remained highly concerning as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 12.1% in FY22 compared to 8.9% in FY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and fuel) and second round impact of PKR depreciation, which kept the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upwards trend with an increase of 12.3% in June 2022 compared to 6.9% in June 2021. Expectations of above 20% in the next fiscal year along with weak fiscal framework, led SBP to increase policy rate by a cumulative 625bps to 13.75% in the fiscal year to counter inflationary pressures and slowdown the overall aggregate demand. It further increased policy rate by 125 basis points to 15% in July-22.

On the fiscal side, FBR tax collection increased by 29.1% in FY22 to PKR 6,125bn compared to PKR 4,744bn during the same period last year. This exceeded the target by 25bn. The improved tax collection was primarily on the back of higher customs duty and sales tax collected due to higher imports.

Secondary markets yields have increased significantly in FY22 as SBP started the monetary tightening cycle. The depreciation in the rupee along with persistently high energy prices will add pressure to inflation and we expect average inflation numbers to remain elevated in medium term. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 4.5%, 3.4% and 3.0%, respectively during the period.

## **Equity Market Review**

After posting a healthy gain of 38% in FY21, the benchmark KSE-100 Index corrected by 12.3% in FY22, losing 5,815 points to end the year at 41,541 points. The market remained volatile throughout the year, but

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

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took a downturn in the second half of the fiscal year as Russia-Ukraine war worsened several macroeconomic indicators fueling concern over external account position. The widening current account deficit, rapidly depleting reserves (PKR touching an all-time low of PKR211/USD), downgrade of Pakistan's outlook to negative by Moody's, and delay in the approval of IMF's sixth and seventh review created default fears among the investors. In addition, a high inflationary environment caused by a global commodity super cycle, rupee depreciation, and rising interest rates further added to the investors' woes. Moreover, the budget also proved to be a negative event for the market, incorporating painful but necessary measures to enhance revenue collection and control expenditures in line with the IMF's direction.

Fertilizer and Chemical were the outperformers during the year, posting a return of 13.9% and 6.1%, respectively. On the contrary, Cement remained the worst performing sector with a negative return of -43.8% thanks to rising international coal prices (+189% YoY to USD 332/ton). Average traded volume and value during FY22 went down by 45% (291mn shares) and value by 54% (USD 55mn), respectively.

During the year, MSCI reclassified Pakistan from the Emerging Markets Index to Frontier Markets Index. As a result, Foreign investors offloaded USD 298mn worth of equities during FY22. Individuals were the major buyers followed by Banks/DFIs. They bought shares worth USD 157mn and USD 115mn, respectively.

### FUND PERFORMANCE

During the period under review, the fund posted a return of 0.97% against 0.05% for the benchmark. The fund was 5.2% invested in Cash and 70.7% invested in Alhamra Islamic Income Fund as at 30<sup>th</sup> June, 2022.

The Net Assets of the Fund as at June 30, 2022 stood at Rs. 145 million as compared to Rs. 123 million as at June 30, 2021 registering an increase of 17.89%.

The Net Asset Value (NAV) per unit as at June 30, 2022 was Rs. 100.1599 as compared to opening NAV of Rs. 99.8771 per unit as at June 30, 2021 an increase of Rs. 0.2828 per unit.

### Economy & Market – Future Outlook

The government has taken several harsh steps including increasing petroleum, electricity and gas prices to meet the IMF prior conditions. It has also increased interest rate to 15% and made changes in the FY23 Budget to targets primary fiscal surplus in FY23. These steps have led to a successful staff level agreement with IMF and should pave the way for the disbursement of USD 1.2bn from the fund under the combined 7th and 8th review of the Extended Fund Facility (EFF). The government was also able to convince IMF to increase funding by USD 1 billion to USD 7 billion and extend the duration till June 2023 compared to September 2022 earlier. IMF program shall provide stability to the external account and provide a window to policy makers requiring continued fiscal discipline and measured trade account policies in the short term while focus on the economic policies that can support sustainable growth in the long term.

Pakistan GDP growth clocked at 6.0% in FY22 with Agricultural, Industrial and Services sector grew by 4.4%, 7.2% and 6.2% respectively. However, we expect GDP growth to sharply decline to a range of 2.5-3.0% in FY23. The monetary tightening and rupee devaluation would lead to slowdown in economy and would impact industrial growth. The government is also focusing on controlling imports to curtail current account deficit which would affect services sector growth.

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 14% YoY to USD 63bn as we will witness volumetric compression in several segments of the economy. Thus we expect the current account deficit to ease to USD 7.6bn (2.0% of GDP) in FY23 compared to expected current account deficit of USD 16.5bn (4.2% of GDP) in FY22.

Successful resumption of the IMF program will be a key prerequisite to keep the financial account in positive zone as we await funding commitment from friendly countries. Sustaining remittances along with bilateral and multilateral flows would also be crucial in managing our external position. USD/PKR is trading in a range of 225-230 due to ensuing political uncertainty and delay in IMF tranche. We expect Rupee to recover post disbursement of IMF tranche along with receipts from friendly countries. We expect however USD/PKR to depreciate by the close of fiscal year to 235.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

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CPI based inflation for June 2022 clocked at 21.3% on the back of increase in petroleum and electricity prices as the relief measures announced by the previous government were reversed. We will witness the second round impact of currency devaluation and petroleum price increase which will keep inflation elevated for the remainder of the year. We expect FY23 average inflation to clock at 21.8%. SBP increased the policy rate to 15% to slowdown aggregate demand and ward off inflationary pressures. Increasing interest rate to unnecessarily higher level impacts fiscal position and does little to tame cost push inflation. We thus SBP to balance monetary tightening and fiscal costs by maintaining negative interest rates

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market has priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 10.1%, a discount of 52% from its historical average. Similarly, risk premiums are close to 8.3%, 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 4.7x, while offering a dividend yield of 9.5%.

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 inflationary pressure. 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 19.2% during FY22 to PKR 1,214bn. Total money market funds grew by about 43.8% since June 2021. Within the money market sphere, the conventional funds dominated with a growth of about 56.4% to PKR 446bn while Islamic funds increased by 24.1% to PKR 225bn. In addition, the total fixed Income funds increased by about 21.9% since June 2021, as the conventional income funds rose by 27.9% to PKR 161bn. Equity and related funds declined by 23.1% as market witnessed a decline in FY22 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 55.3%, followed by Income funds with a share of 24.6% and Equity and Equity related funds having a share of 18.9% as at the end of FY22.

### **Mutual Fund Industry Outlook**

Increase in interest rates would encourage higher flows in the money market funds. Recent changes in Finance Act 2023 also incentivize investors to save and invest through Mutual funds. Prevailing yields of near 15% in fixed income funds are ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices has opened up valuations and long term investors would look to add equity exposure at these highly 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.

### **Corporate Governance**

The Fund is committed to implement the highest standards of corporate governance. The Board comprises of eight (8) members including the Chief Executive Officer (CEO) and has a diverse mix of gender and knowledge. The Board consists of 1 female and 7 male directors, categorized as follows:

- 4 Non – Executive Directors;
- 3 Independent Directors; and
- 1 Executive Director (CEO).

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Nasim Beg	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	(i) Audit Committee; and (ii) HR&R* Committee.
4.	Mr. Kashif A. Habib	Non-Executive Director	(i) Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	(i) Audit Committee (ii) HR&R* Committee
6.	Mirza Qamar Beg	Independent Director	(i) Audit Committee (Chairman); and (ii) HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	(i) HR&R* Committee
8.	Mr. Muhammad Saqib Saleem	Executive Director	(i) HR&R* Committee

\* HR&R stands for Human Resource and Remuneration.

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. Financial statements present fairly its state of affairs, the results of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- f. There are no doubts what so ever upon the Fund's ability to continue as going concern.
- g. There has been no material departure from the best practices of Corporate Governance.
- h. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- j. As at June 30, 2022, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 19 of the Code.
- k. The detailed pattern of unit holding, as required by NBFC Regulations are enclosed.



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

- l. A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and Committees of the Board.
- m. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below are the details of committee meetings held during the year ended June 30, 2022:

### 1. Meeting of the Audit Committee.

During the year, nine (9) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg(Chairman)	9	9	9	-
2. Mr. Nasim Beg	9	9	9	-
3. Mr. Ahmed Jahangir	9	9	8	1
4. Mr. Kashif A. Habib	9	9	6	3
5. Syed Savail Meekal Hussain	9	9	9	-

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, five (5) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mirza Qamar Beg (chairman)	5	5	5	-
2. Mr. Ahmed Jahangir	5	5	2	3
3. Mr. Nasim Beg	5	5	2	3
4. Ms. Mavra Adil Khan	5	5	5	-
5. Syed Savail Meekal Hussain	5	5	2	3
6. Mr. Muhammad Saqib Saleem (CEO)	5	5	5	-

- n. No trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

### External Auditors

The fund's external auditors, **M/s Ernst & Young Ford Rhodes Chartered Accountants** have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2023. The audit committee of the Board has recommended reappointment of **M/s Ernst & Young Ford Rhodes Chartered Accountants** as auditors of the fund for the year ending June 30, 2023 and the Board of Directors also endorsed the recommendation of the Audit Committee.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

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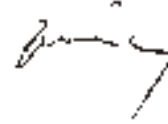
### ACKNOWLEDGMENT

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  
August 15, 2022



**Nasim Beg**  
Director and Vice Chairman

اتلہار تھکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز 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



نیم بیگ  
ڈائریکٹر اوپنس چیئر مین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
15 اگست 2022ء

## ڈائریکٹرز رپورٹ

### ۱۔ آڈٹ کمیٹی کی میٹنگ

دوران سال آڈٹ کمیٹی کی نو (9) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			نام	منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت
-	9	9	۱۔ مرزا محمد قمر بیگ (چیئر مین)	9	9	9	-
-	9	9	۲۔ جناب نسیم بیگ	9	9	9	-
1	8	9	۳۔ جناب احمد جہانگیر	9	9	8	1
3	6	9	۴۔ جناب کاشف اے حبیب	9	9	6	3
-	9	9	۵۔ سید ساویل میکانل حسین	9	9	9	-

### ۲۔ ہیومن ریسورس اینڈ ریونیویشن کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ ریونیویشن کمیٹی کی پانچ (5) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			نام	منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت
-	5	5	۱۔ جناب مرزا قمر بیگ (چیئر مین)	5	5	5	-
3	2	5	۲۔ جناب احمد جہانگیر	5	5	2	3
3	2	5	۳۔ جناب نسیم بیگ	5	5	2	3
-	5	5	۴۔ محترمہ ماوراء عادل خان	5	5	5	-
3	2	5	۵۔ سید ساویل میکانل حسین	5	5	2	3
-	5	5	۶۔ جناب محمد عاقب سلیم (سی ای او)	5	5	5	-

۱۱۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرنل آڈیٹر اور ان کی شریک حیات اور ناپالغ بچوں کے ذریعہ سال کے دوران فنڈ کے پینس میں کوئی تجارت نہیں کی گئی۔

### خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز ارنسٹ اینڈ یوگ فورڈ رھوڈز چارٹرڈ اکاؤنٹنٹس نے فنڈ کے آڈیٹرز برائے سال محترمہ 30 جون 2023ء کے طور پر جاری رہنے کی رضامندی کا اظہار کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ارنسٹ اینڈ یوگ فورڈ رھوڈز چارٹرڈ اکاؤنٹنٹس کی فنڈ کے آڈیٹرز برائے سال محترمہ 30 جون 2023ء کے طور پر دوبارہ تقرری کی سفارش پیش کی ہے۔ اور بورڈ آف ڈائریکٹرز نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔

مینجمنٹ کوڈ آف کارپوریٹ گورننس میں متعین کردہ بہترین روایات کی دفعات کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز، جن میں بورڈ آف ڈائریکٹرز اور مینجمنٹ کے کردار اور ذمہ داریوں کو واضح کیا گیا ہے، کے مطابق کاروبار کرنے پر کاربند ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے پالمرسز مطلع کیا جاتا ہے کہ:

- a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- b. کمپنی کی درست بکس آف اکاؤنٹس بنائی گئی ہیں؛
- c. مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹنگ پالیسیوں کا باقاعدگی کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛
- d. مالیاتی گوشواروں کی تیاری میں پاکستان میں حقیقی الاطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات، non بینکنگ فنانس کمپنیز (اسٹیلشمنٹ اینڈ ریگولیشنز) رولز 2003، non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیلیز ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈز کی ضروریات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛
- e. انٹرنل کنٹرول کا نظام مستحکم خطوط پر استوار اور موثر انداز میں نافذ کیا گیا ہے اور اس کی موثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں؛
- f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کسی قسم کے کوئی شبہات نہیں ہیں؛
- g. کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛
- h. ولیمب الاءٹکس، قانونی چارہ اور ڈیویڈز (اگر کوئی ہیں تو) کو آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔
- i. پراویڈنٹ/گھریجوشی اور مینجمنٹ فنڈ کی سرمایہ کاریوں کی قدر کے بیان کا اطلاق فنڈ پر نہیں ہوتا لیکن مینجمنٹ کمپنی پر ہوتا ہے؛ چنانچہ ڈائریکٹرز رپورٹ میں کوئی اظہار نہیں کیا گیا ہے۔
- j. 30 جون 2022 تک، کمپنی ڈائریکٹرز کے ترقیتی پروگرام کے تقاضوں کی تعمیل کر رہی ہے، جیسا کہ کوڈ کے ضابطہ نمبر 19 میں موجود ہے۔
- k. این بی ایف سی ریگولیشنز کے مطابق مطلوب یونٹ ہولڈنگ کا تفصیلی خاکہ منسلک ہے۔
- l. بورڈ کی اپنی کارکردگی، بورڈ کے اراکین اور بورڈ کی کمیٹیوں کے سالانہ جائزے کے لیے ایک باضابطہ اور موثر طریقہ کار وضع کیا جاتا ہے۔
- m. بورڈ آف ڈائریکٹرز مینٹنگ کی حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کر دی گئی ہیں۔ سال مختتمہ 30 جون 2022ء کے دوران ہونے والی کمیٹی مینٹنگ کی تفصیلات درج ذیل ہیں:

## ڈائریکٹرز رپورٹ

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی شرحوں میں اضافے سے Money مارکیٹ فنڈز میں آمدورفت کی حوصلہ افزائی ہوگی۔ فائنالس ایکٹ 2023ء میں حالیہ تبدیلیوں سے بھی سرمایہ کاروں کو ترغیب ملے گی کہ وہ میوچل فنڈز کے ذریعے بچت اور سرمایہ کاری کریں۔ فکسڈ انکم فنڈز میں رائج الوقت تقریباً 15 فیصد منافع جات ایسے سرمایہ کاروں کے لیے موزوں ترین ہیں جو مختصر میعاد میں رہنا چاہتے ہیں اور زیادہ خطرہ مول لینا نہیں چاہتے۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے تعینات قدر کھول دی ہیں اور طویل المیعاد سرمایہ کار ان پر کشش سطحوں پر ایکوٹی میں مزید پیرہ لگانا چاہیں گے۔ ہمارے آپریٹسز بلاکاوٹ جاری رہے، اور ڈیجیٹل ریسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو بہت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو نافذ کرنے کے لیے پرعزم ہے۔ بورڈ آف (8) اراکین پر مشتمل ہے جس میں چیف ایگزیکٹو آفیسر (CEO) شامل ہیں اور اس میں صنف اور علم کا متنوع امتزاج ہے۔ بورڈ 1 خاتون اور 7 مرد ڈائریکٹرز پر مشتمل ہے، جن کی درجہ بندی درج ذیل ہے:

4\* غیر-ایگزیکٹو ڈائریکٹرز؛

3\* آزاد ڈائریکٹرز؛ اور

1\* ایگزیکٹو ڈائریکٹر (CEO)۔

مندرجہ بالا تفصیلات درج ذیل ہیں:

نمبر شمار	نام	عہدہ	دیگر بورڈ کمپنیوں میں رکنیت
1.	جناب ہارون رشید	Non ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب نسیم بیگ	Non ایگزیکٹو ڈائریکٹر	(i) آؤٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
3.	جناب احمد جہانگیر	Non ایگزیکٹو ڈائریکٹر	(i) آؤٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
4.	جناب کاشف اے صبیح	Non ایگزیکٹو ڈائریکٹر	آؤٹ کمیٹی
5.	سید سادیل میکال حسین	خود مختار ڈائریکٹر	(i) آؤٹ کمیٹی؛ اور (ii) ایچ آر اینڈ آر کمیٹی *
6.	جناب مرزا قمر بیگ	خود مختار ڈائریکٹر	(i) آؤٹ کمیٹی (چیئر مین)؛ اور (ii) ایچ آر اینڈ آر کمیٹی * (چیئر مین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *
8.	جناب محمد ثاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی *

\* ایچ آر اینڈ آر: ہیومن ریسورس اینڈ ریمونریشن



## ڈائریکٹرز رپورٹ

ہیں کہ آئی ایم ایف کی قسط کے اجراء اور دوست ممالک سے حصول کے بعد روپیہ کی قدر بحال ہوگی۔ تاہم مالی سال کے اختتام تک روپے کی ڈالر کے مقابلے میں قدر میں متوقع طور پر کمی آئے گی اور یہ 235 تک پہنچ سکتا ہے۔

سی پی آئی پر مبنی مہنگائی جون 2022ء کے لیے 21.3 فیصد کی سطح پر تھی جس کی وجہ پٹرول اور بجلی کی قیمتوں میں اضافہ تھا کیونکہ سابقہ حکومت کے اعلان کردہ اندادی اقدامات روک دیئے گئے۔ ہم روپے کی قدر میں کمی کے اثر کا دوسرا دور دیکھیں گے اور پٹرول کی قیمت میں اضافہ بھی ہوگا جس کے باعث سال کے بقیہ حصے میں مہنگائی بلند رہے گی۔ مالی سال 2023ء میں مہنگائی کا اوسط 21.8 فیصد متوقع ہے۔ ایس بی پی نے پالیسی شرح کو بڑھا کر 15 فیصد کر دیا تاکہ مجموعی مانگ کی رفتار اور مہنگائی کے دباؤ میں کمی لائی جاسکے۔ سود کی شرحوں میں غیر ضروری بلند سطح تک اضافے سے مالیاتی صورتحال متاثر ہوتی ہے اور cost-push مہنگائی کو قابو کرنے میں کوئی قابل ذکر مدد نہیں ملتی۔ چنانچہ ہم اُمید کرتے ہیں کہ ایس بی پی منفی شرح سود برقرار رکھنے کے ذریعے مالیاتی سختی اور لاگتوں کو متوازن کرے گا۔

کمپیوٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 10.1 فیصد ہو گیا ہے جو اس کے تاریخی اوسط سے 52 فیصد کمی ہے۔ اسی طرح بظہرات کے پریٹیکم 8.3 فیصد کے قریب ہیں، اور ان کے قدیم اوسط 2.2 فیصد سے موازنہ کرنے پر اس 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 4.7x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 9.5 فیصد پر ہے۔

حاصلین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر ہلار کاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری ختم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں پر غلط 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 دوران تقریباً 19.2 فیصد بڑھ کر 1,214 بلین روپے ہو گئے۔ Money مارکیٹ کی مجموعی فنڈ میں جون 2021ء سے اب تک تقریباً 43.8 فیصد اضافہ ہوا ہے۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈ حاوی رہے کیونکہ تقریباً 56.4 فیصد بڑھ کر 446 بلین روپے ہو گئے، جبکہ اسٹاک فنڈ 24.1 فیصد بڑھ کر 225 بلین روپے ہو گئے۔ مزید برآں، مجموعی فکسڈ انکم فنڈز میں جون 2021ء سے اب تک تقریباً 21.9 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈز 27.9 فیصد بڑھ کر 161 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈ 23.1 فیصد کم ہو گئے جس کی وجہ مالی سال 2022ء میں مارکیٹ میں انحطاط اور اثاثہ جات تحت الا نظامیہ میں کمی ہے کیونکہ مجموعی معاشی و جغرافیائی سیاسی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2022ء کے اختتام پر Money مارکیٹ فنڈ تقریباً 55.3 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈ تھے جن کا 24.6 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی فنڈ اور متعلقہ فنڈ تھے جن کا 18.9 فیصد حصہ تھا۔

## فنز کی کارکردگی

زیر جائزہ مدت کے دوران فنز کا ایک سال پر محیط منافع 0.97 فیصد تھا، جبکہ مقررہ معیار کا منافع 0.05 فیصد تھا۔ 30 جون 2022 تک فنز میں 5.2 فیصد نقد رقم اور 70.7 فیصد الحمر اسلامک انکم فنز میں سرمایہ کاری کی گئی۔

30 جون 2022 کو فنز کے net اثاثہ جات 145 ملین روپے تھے جو 30 جون 2021 کی سطح 123 ملین روپے کے مقابلے میں 17.89 فیصد اضافہ ہے۔

30 جون 2022 کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 100.1599 روپے تھی جو 30 جون 2021 کو ابتدائی این اے وی 99.8771 روپے فی یونٹ کے مقابلے میں 0.2828 روپے فی یونٹ اضافہ ہے۔

## معیشت اور مارکیٹ - مستقبل کا منظر نامہ

حکومت نے متعدد سخت فیصلے کیے ہیں بشمول پٹرول، بجلی اور گیس کی قیمتوں میں اضافہ تاکہ آئی ایم ایف کی شرائط پوری کی جاسکیں۔ علاوہ ازیں، سود کی شرح کو بڑھا کر 15 فیصد کیا ہے اور مالی سال 2023ء کے بجٹ میں تبدیلیاں کی ہیں تاکہ مالی سال 2023ء میں بنیادی مالیاتی surplus کو ہدف بنایا جاسکے۔ ان اقدامات کے نتیجے میں آئی ایم ایف کے ساتھ اسٹاف سطح کا ایک کامیاب معاہدہ ہو گیا ہے جس کے بعد ایکسٹینڈڈ فنڈ فیسلٹی (ای ایف ایف) کے مشترکہ ساتویں اور آٹھویں جائزے کے تحت فنز سے 1.2 بلین ڈالر کے اجراء کی راہیں ہموار ہوں گی۔ مزید برآں، حکومت آئی ایم ایف کو اس بات کے لیے قائل کرنے میں کامیاب ہوئی ہے کہ فنڈنگ کو 1 بلین ڈالر سے 7 بلین ڈالر کیا جائے اور ستمبر 2022ء کی بجائے جون 2023ء تک مدت کی توسیع کی جائے۔ آئی ایم ایف پروگرام سے خارجی اکاؤنٹ مستحکم ہوگا اور پالیسی سازوں کو دور کا مختصر مدت میں پلار کاؤٹ مالیاتی نظم و ضبط اور پینالٹس شدہ تجارتی اکاؤنٹ پالیسیوں اور طویل مدت میں قابل بقاء ترقی کے لیے معاشی پالیسیوں پر ارتکاز توجہ کے لیے راہ فراہم ہوگی۔

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) مالی سال 2022ء میں 6.0 فیصد تھی۔ زرعی، صنعتی اور خدمات کے شعبوں نے بالترتیب 4.4 فیصد، 7.2 فیصد اور 6.2 فیصد ترقی کی۔ تاہم ہم سمجھتے ہیں کہ مالی سال 2023ء میں جی ڈی پی کی ترقی میں 2.5 سے 3.0 فیصد تک کی بڑی کمی آئے گی۔ مالیاتی سختی اور روپے کی قدر میں کمی کے نتیجے میں معیشت میں سست رفتاری آئے گی اور اس کا اثر صنعتی ترقی پر پڑے گا۔ مزید برآں حکومت درآمدات میں کمی پر توجہ مرکوز کر رہی ہے تاکہ کرنٹ اکاؤنٹ خسارہ کم کیا جاسکے جس سے خدمات کے شعبے کی ترقی متاثر ہوگی۔

بین الاقوامی اشیاء اپنی حالیہ بلندی سے نیچے آگئی ہیں لیکن توانائی کی قیمتیں بلندی پر ڈٹی ہوئی ہیں۔ ہم امید کرتے ہیں کہ حکومت درآمدات پر مضبوط لگام دے کر رکھے گی اور ڈالر کے غیر ضروری خارجی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 14 فیصد YoY کم ہو کر 63 بلین ڈالر ہو جائیں گی کیونکہ ہم دیکھیں گے کہ معیشت کے متعدد شعبوں کے حجم سکڑ جائیں گے۔ چنانچہ ہمیں امید ہے کہ مالی سال 2023ء میں کرنٹ اکاؤنٹ خسارہ 7.6 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) کم ہوگا جبکہ اس کے بالمقابل مالی سال 2022ء میں متوقع کرنٹ اکاؤنٹ خسارہ 16.5 بلین ڈالر (جی ڈی پی کا 4.2 فیصد) تھا۔

آئی ایم ایف پروگرام کی کامیابی بحالی مالیاتی اکاؤنٹ کو مثبت حدود میں رکھنے کے لیے کلیدی شرط ہوگی، اور ہم دوست ممالک سے فنڈنگ کے منتظر بھی ہیں۔ باقاعدگی کے ساتھ ہونے والی ترسیلات اور اس کے ساتھ ساتھ دوطرفہ اور کثیرالجہتی بہاؤ بھی ہماری خارجی صورتحال کو سنبھالنے میں اہم کردار ادا کریں گے۔ ڈالر روپے کی تجارت 225-230 کی حدود میں ہو رہی ہے جس کی وجہ متوقع سیاسی غیر یقینی حالات اور آئی ایم ایف کی قسط میں تاخیر ہے۔ ہم سمجھتے



## ڈائریکٹر رپورٹ

نظر آیا اور جون 2022ء میں 12.3 فیصد اضافہ ہوا جبکہ جون 2021ء میں 6.9 فیصد تھا۔ اگلے مالی سال میں 20 فیصد سے زائد کی توقعات کے ساتھ ساتھ کمزور مالیاتی ڈھانچے کے نتیجے میں SBP نے پالیسی شرح میں زیر جائزہ مالی سال میں مجموعی طور پر 625 بیسیس پوائنٹس (bps) کا اضافہ کر کے اسے 13.75 فیصد کر دیا تاکہ مہنگائی کے دباؤ کا مقابلہ کیا جاسکے اور مجموعی طور پر نکل مانگ کی رفتار میں کمی لائی جاسکے۔ جولائی 2022ء میں SBP نے پالیسی شرح میں مزید 125 bps کا اضافہ کر کے اسے 15 فیصد کر دیا۔

مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی مالی سال 2022ء میں 29.1 فیصد بڑھ کر 6,125 بلین روپے ہو گئی جبکہ گزشتہ سال ماسٹ مدت کے دوران 4,744 بلین روپے تھی۔ یہ ہدف سے 25 بلین زائد تھا۔ ٹیکس وصولی میں بہتری کی بنیادی وجہ درآمدات میں اضافے کی بدولت کسٹمز ڈیوٹی میں اضافہ اور زیادہ سیلز ٹیکس کی وصولی ہے۔

دوسری بات یہ کہ بازاروں کے منافع میں مالی سال 2022ء میں قابل ذکر اضافہ ہوا ہے کیونکہ SBP نے مالیاتی سختی کا پتھر شروع کر دیا تھا۔ روپے کی قدر میں کمی کے ساتھ ساتھ توانائی کی مسلسل بلند قیمتوں سے مہنگائی پر دباؤ میں اضافہ ہوگا، اور ہماری توقع کے مطابق مہنگائی کا اوسط درمیانی مدت میں بلند رہے گا۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز کے منافعوں میں دوران مدت یا ترتیب 4.5 فیصد، 3.4 فیصد اور 3.0 فیصد اضافہ ہوا۔

### ایکویٹی مارکیٹ کا جائزہ

مالی سال 2021ء میں 38 فیصد بھرپور منافع پوسٹ کرنے کے بعد بیچ مارک KSE-100 انڈیکس میں مالی سال 2022ء میں 12.3 فیصد تنہج ہوئی، اور 5,815 پوائنٹس کم ہو کر اختتام سال پر 41,541 پوائنٹس تھا۔ بازار سال بھر غیر مستحکم رہا لیکن مالی سال کی نصف آخر میں تنہج کا شکار رہا کیونکہ روس یوکرین جنگ کے باعث متعدد مجموعی معاشیاتی اشارے مزید بگڑ گئے جس سے خارجی اکاؤنٹ کی صورتحال پر تشویش میں اضافہ ہو گیا۔

بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے، تیزی سے گھٹتے ہوئے ذخائر (روپے کا پست ترین سطح تک پہنچنا یعنی 211 روپے فی ڈالر)، Moody's کا پاکستان کے مستقبل کے منظر نامے کی درجہ بندی میں کمی کرنا، اور آئی ایم ایف کے چھٹے اور ساتویں جائزے میں تاخیر سے سرمایہ کاروں میں دیوالیہ ہونے کی تشویش پیدا ہو گئی۔ علاوہ ازیں، عالمی سطح پر اشیاء کی super cycle کے باعث پیدا ہونے والی بلند مہنگائی کا ماحول، روپے کی قدر میں کمی، اور سود کی بڑھتی ہوئی شرحوں نے سرمایہ کاروں کی پریشانیوں میں مزید اضافہ کیا۔ مزید برآں، بجٹ بھی مارکیٹ کے لیے منفی واقعہ ثابت ہوا جس میں تکلیف دہ لیکن ضروری اقدامات کیے گئے تاکہ آئی ایم ایف کی سست کے مطابق آمدنی کے حصول میں بہتری آئے اور اخراجات پر قابو پایا جاسکے۔

دوران سال کھاد اور کیمیکل کارکردگی میں سبقت لے جانے والے شعبے تھے جنہوں نے ترتیب 13.9 فیصد اور 6.1 فیصد منافع پوسٹ کیا۔ اس کے برعکس سینٹ کمزور ترین کارکردگی کا مظاہرہ کرنے والا شعبہ تھا جس نے (43.8) فیصد منفی منافع پوسٹ کیا اور اس کی وجہ کوئلے کی بڑھتی ہوئی بین الاقوامی قیمتیں تھیں (189+ فیصد YoY کے نتیجے میں 332 ڈالر فی ٹن)۔ مالی سال 2022ء کے دوران اوسط تجارتی حجم اور قدر میں ترتیب 45 فیصد (291 ملین حصص) کمی اور 54 فیصد کمی (55 ملین ڈالر) ہوئی۔

دوران سال MSCI نے پاکستان کی درجہ بندی کو امر جنگ مارکیٹس انڈیکس سے تبدیل کر کے فریئر مارکیٹس انڈیکس کر دیا۔ اس کے نتیجے میں غیر ملکی سرمایہ کاروں نے 298 ملین ڈالر مالیت کی ایکویٹی نکال لیں۔ جسکے بڑے خریدار افراد اور ان کے بعد بینک یا DFIs تھے جنہوں نے ترتیب 157 ملین ڈالر اور 115 ملین ڈالر کی مالیت کے حصص خریدے۔

یورڈ آف ڈائریکٹر کی طرف سے الحمد للہ سمارٹ پورٹ فولیو کے گوشواروں کا جائزہ برائے سال مختتمہ 30 جون 2022ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

مالی سال 2022ء پاکستان کے لیے مشکل سال رہا کیونکہ ملک کو مجموعی معاشیاتی بہت میں متعدد چیلنج درپیش رہے اور ساتھ ساتھ سیاسی صورتحال بھی غیر یقینی رہی۔ اگرچہ معیشت نے کووڈ چیلنج کا بہتر انداز میں مقابلہ کیا لیکن عالمی معیشتوں کی بحالی اور زنجیر رسد میں رکاوٹوں کے باعث عالمی سطح پر اشیاء کی قیمتوں میں اضافہ ہوا جس سے تجارتی خسارے پر دباؤ میں بھی اضافہ ہوا۔ روس یوکرین جنگ کے نتیجے میں اشیاء کی قیمتیں مزید بڑھ گئیں جس کے باعث دوران سال اب تک کے سب سے بڑے درآمداتی بل نے پہلے سے پھیلنے والے تجارتی خسارے کو مزید متاثر کیا۔ توانائی اور اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ زرمبادلہ کی کمزور شرح کے نتیجے میں مقامی سطح پر مہنگائی میں تیزی سے اضافہ ہوا۔ اشیاء کی قیمتوں سے ہونے والی مہنگائی کے رجحانات بھی عالمی معیشتوں میں واضح نظر آئے، خصوصاً امریکا اور یورپی خطے میں، اور اس کے نتیجے میں ہونے والی مالیاتی سختی کے باعث وسیع تر کساد بازاری کا خوف پیدا ہو گیا ہے۔

پاکستان کی معیشت پہلے ہی مجموعی معاشیاتی چیلنجوں سے نہر آ زما ہو رہی تھی اور سیاسی افراتفری نے حالات میں مزید بگاڑ پیدا کر دیا۔ بڑھتی ہوئی سیاسی الجھنوں کے نتیجے میں عوامی سطح کے اقدامات کیے گئے، مثلاً ایندھن اور بجلی کی سبسڈیز، جس سے مطلوبہ مالیاتی ترامیم کرنا مشکل ہو گیا۔ علاوہ ازیں، ملکی قیادت میں غیر متوقع تبدیلی اور اس سے پیدا ہونے والی سیاسی غیر یقینی صورتحال کے نتیجے میں آئی ایم ایف پروگرام کے لیے درکار پالیسی اقدامات اور ترامیم میں تاخیر ہوئی۔

مالی سال 2022ء کے ابتدائی گیارہ ماہ میں ملک کا CAD یعنی کرنٹ اکاؤنٹ خسارہ 15.2 بلین ڈالر تھا جبکہ گزشتہ سال مماثل مدت میں 1.1 بلین ڈالر تھا۔ یہ مالی سال 2018ء کے ابتدائی گیارہ ماہ میں ہونے والے 15.9 CAD بلین ڈالر کے بعد اب تک کا سب سے بڑا خسارہ تھا۔ اس فنڈل کی بنیادی وجہ مالی سال 2022ء کے ابتدائی گیارہ ماہ میں درآمدات میں 36.5 فیصد اضافہ تھا جبکہ اس کے بالقابل برآمدات میں اضافہ 26.7 فیصد تھا۔ تجارتی خسارہ 45.5 فیصد بڑھ کر 36.1 بلین ڈالر ہو گیا جبکہ گزشتہ سال مماثل مدت میں 24.8 بلین ڈالر تھا۔ درآمدات میں اس بے قابو اضافے کی بنیادی وجہ ہماری اشیاء کے دائرہ کار بشمول خام مل، پام تیل اور کوئلے کی تاریخی بلند قیمتیں اور اس کے ساتھ ساتھ یکبارہ کمین درآمدات تھی۔

مالی سال 2022ء میں مرکزی بینک کے زرمبادلہ کے ذخائر میں 7.4 بلین ڈالر کمی ہوئی جس کی وجہ کرنٹ اکاؤنٹ خسارہ اور قرضوں کی ادائیگیوں میں اضافہ ہے۔ علاوہ ازیں، آئی ایم ایف پروگرام میں تاخیر کے نتیجے میں دیگر غیر ملکی آمدات سے رفتاری کا شکار ہو گئیں اور اس کے باعث زرمبادلہ کے ذخائر کم ہو کر 9.8 بلین ڈالر ہو گئے جس کا مطلب 1.7 ماہ کا درآمداتی cover ہوتا ہے۔ اس اخراجی بہاؤ اور اس کے ساتھ ساتھ پھیلنے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجے میں مالی سال کے آغاز سے لے کر اب تک روپیہ ڈالر کے مقابلے میں 23.0 فیصد کمزور ہو گیا۔

مہنگائی بے حد تشویشناک رہی کیونکہ اشیاء کی بڑھتی ہوئی قیمتوں نے پالیسی سازوں کے لیے متعدد چیلنج پیدا کرنے کا سلسلہ جاری رکھا۔ ہیڈ لائن مہنگائی، جس کی ترجمانی CPI سے ہوتی ہے، کا اوسط مالی سال 2022ء میں 12.1 فیصد تھا جبکہ مالی سال 2021ء میں 8.9 فیصد تھا۔ اس اضافے کی بنیادی وجہ اشیائے خورد و نوش کی قیمتوں میں اضافہ، توانائی (بجلی اور ایندھن، دونوں) کی لاگتوں میں اضافہ، اور روپے کی قدر میں کمی کا دوسرا دور تھا جس کے باعث درآمد شدہ اشیاء کی قیمتیں بلند رہیں۔ بنیادی مہنگائی، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، میں بھی اضافے کا رجحان

## REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2022

### Fund Type and Category

Alhamra Smart Portfolio is a Shariah Compliant Islamic Asset Allocation Plan.

### Fund Benchmark

The benchmark for ALHSP is KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by the MUFAP on the basis of actual proportion held by the Scheme.

### Investment Objective

Alhamra Smart Portfolio is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

### Manager's Review

The fund posted a return of 0.97% during the period under review against the benchmark return of 0.05%. Equity exposure of the fund at June end was 24.1% which was invested in Alhamra Islamic Stock Fund, while 70.7% of the fund was invested in Alhamra Islamic Income Fund, whereas cash exposure was 5.2%.

The Net Assets of the fund as at June 30, 2022 stood at Rs. 145 million as compared to Rs. 123 million as at June 30, 2021 registering an increase of 17.9%. The Net Asset Value (NAV) per unit as at June 30, 2022 was Rs. 100.1599 as compared to opening NAV of Rs. 99.8771 per unit as at June 30, 2021 registering an increase of 0.2828 per unit.

#### Asset Allocation as on June 30, 2022 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-22
Cash	5.2%
Alhamra Islamic Income Fund	70.7%
Others including receivables	0.0%
Alhamra Islamic Stock Fund	24.1%

#### Asset Quality as on June 30, 2022 (% of total assets)



Syed Muhammad Usama Iqbal  
Fund Manager

# TRUSTEE REPORT TO THE UNIT HOLDERS



## 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.

- I. MCB Arif Habib Savings and Investments Limited, the Management Company of Al-Hamra Islamic Active Allocation Fund has, in all material respects, managed Al-Hamra Islamic Active Allocation Fund for the year ended June 30, 2022 in accordance with the provisions of the following:
- (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement

Karachi: August 17, 2022

  
\_\_\_\_\_  
Authorize Signatory

#### ONLINE

+923-111-322-228

digitalcustodian.co

digitalcustodian

#### LAHORE

LSE Plaza, 508

Kashmir Egerton Road

+92 42 3630 4406

#### KARACHI

Perdesi House

Old Queens Road

+92 21 3241 9770

#### ISLAMABAD

ISE Towers, LG

Jinnah Avenue

+92 51 2726 543



## REPORT OF THE SHARIAH ADVISORY BOARD

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Karachi: August 19, 2022

### REPORT OF THE SHARIAH ADVISORY BOARD

Alhamdulillah, We the Shariah Advisory Board of Alhamra Islamic Active Allocation (the Fund), are issuing this report in accordance with the Offering document of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of M/s MCB Arif Habib Savings and Investments limited (MCBAH), the management company of the fund, to establish and maintain a system of internal controls to ensure compliance with Shariah guidelines. Our responsibility is to express an opinion, based on our review of the representation made by the management, to the extent where such compliance can be objectively verified.

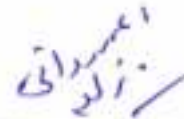
A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, we hereby certify that:

- We have reviewed and approved the modes of investment of ALHIAAP in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHIAAP by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of ALHIAAP for the year ended June 30, 2022 have been in compliance with Shariah principles.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the hereafter, and forgive our mistakes.



Dr Muhammad Zubair Usmani  
(Shariah Advisor)



Dr Ejaz Ahmed Samadani  
(Shariah Advisor)

For and on behalf of Shariah Advisory Board

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



EY Farid Street  
Chartered Accountants  
Progressive Plaza, Deccan Road  
P.O. Box 15541, Karachi 75530  
Pakistan

UAE: +9221 111 11 89 87 (EYFR)  
Tel: +9221 3365 0007-11  
Fax: +9221 3365 1905  
ey@eyfpk.com  
ey.com/pe

## INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alhamra Islamic Active Allocation Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Alhamra Islamic Active Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of bank balances and investments</b>  As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2022, the bank balances and investments (comprised of open end mutual funds) held by the Fund represent 99.95% of the total assets of the Fund as at the year end.  In view of the significance of bank balances and investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have considered the existence	We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following: <ul style="list-style-type: none"><li>- We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2022 and reconciled it with the books and records of the Fund.</li><li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li></ul>

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# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



~ 2 ~

Key audit matter	How our audit addressed the key audit matter
and valuation of such bank balances and investments as a key audit matter.	<ul style="list-style-type: none"> <li>- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 4.</li> <li>- We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</li> <li>- We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

8 November 2024, Karachi, Pakistan

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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The Board of Directors are responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 16 September 2022

Karachi

UDIN Number: AR202210076BNJCA6qVb

# STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2022

		----- June 30, 2022 -----				----- June 30, 2021 -----			
	Note	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)									
<b>ASSETS</b>									
Balances with banks	5	-	-	7,532	7,532	6,146	14,126	2,031	22,303
Investments	6	-	-	138,320	138,320	-	-	121,079	121,079
Markup receivable		-	-	69	69	-	-	30	30
<b>Total assets</b>		-	-	145,921	145,921	6,146	14,126	123,140	143,412
<b>LIABILITIES</b>									
Payable to the Management Company	7	-	-	21	21	-	-	10	10
Payable to the Trustee	8	-	-	24	24	-	-	16	16
Payable to the Securities and Exchange Commission of Pakistan	9	-	-	34	34	-	29	1	30
Accrued expenses and other liabilities	10	-	-	433	433	6,146	14,097	54	20,297
<b>Total liabilities</b>		-	-	512	512	6,146	14,126	81	20,353
<b>NET ASSETS</b>		-	-	145,409	145,409	-	-	123,059	123,059
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		-	-	145,409	145,409	-	-	123,059	123,059
<b>Contingencies and Commitments</b>	11								
--- (Number of units) ---									
<b>NUMBER OF UNITS IN ISSUE</b>		-	-	1,451,767		-	-	1,232,102	
----- (Rupees) -----									
<b>NET ASSET VALUE PER UNIT</b>		-	-	100.1599		-	-	99.8771	

The annexed notes 1 to 23 form an integral part of these financial statements.


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



Chief Executive Officer



Chief Financial Officer



Director

# INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

		----- June 30, 2022 -----				----- 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
Note		----- (Rupees in '000) -----							
<b>INCOME</b>									
		-	-	5,088	5,088	10,750	11,470	-	22,220
		-	-	-	-	-	-	-	-
	6.1	-	-	(2,999)	(2,999)	-	-	(357)	(357)
		-	-	629	629	337	418	30	784
		-	-	-	-	-	-	235	235
	<b>Total income / (loss)</b>	-	-	2,718	2,718	11,087	11,888	(92)	22,882
<b>EXPENSES</b>									
	7.1	-	-	62	62	34	37	3	74
		-	-	8	8	4	5	0	10
	8.1	-	-	250	250	137	238	14	388
	8.2	-	-	32	32	18	31	2	50
		-	-	-	-	-	-	-	-
	9	-	-	34	34	30	29	1	60
	7.3	-	-	171	171	148	143	7	298
	12	-	-	527	527	62	347	17	426
		-	-	72	72	3	53	2	59
		-	-	12	12	4	3	-	7
		-	-	-	-	16	12	-	27
		-	-	179	179	18	116	3	136
	10.1	-	-	-	-	212	217	-	430
	<b>Total expenses</b>	-	-	1,347	1,347	686	1,231	49	1,965
	<b>Net income / (loss) for the year before taxation</b>	-	-	1,371	1,371	10,400	10,657	(141)	20,917
	13	-	-	-	-	-	-	-	-
	<b>Net income / (loss) for the year</b>	-	-	1,371	1,371	10,400	10,657	(141)	20,917
<b>Allocation of net income for the year</b>									
		-	-	1,371	1,371	10,400	10,657	-	21,057
		-	-	(105)	(105)	(4,373)	(2,851)	-	(7,224)
		-	-	1,266	1,266	6,027	7,806	-	13,833
<b>Accounting income available for distribution</b>									
	- Relating to capital gains	-	-	1,266	1,266	6,027	7,806	-	13,833
	- Excluding capital gains	-	-	-	-	-	-	-	-
		-	-	1,266	1,266	6,027	7,806	-	13,833

The annexed notes 1 to 23 form an integral part of these financial statements.

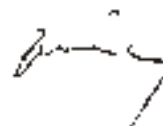
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022				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)							
Net income / (loss) for the year after taxation	-	-	1,371	1,371	10,400	10,657	(141)	20,917
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	1,371	1,371	10,400	10,657	(141)	20,917

The annexed notes 1 to 23 form an integral part of these financial statements.

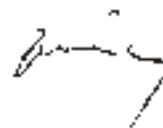
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	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		
	June 30, 2022						June 30, 2021						June 30, 2021					
	Capital Value	Undistri- buted (loss) / income	Total	Capital Value	Undistri- buted (loss) / income	Total	Capital Value	Undistri- buted (loss) / income	Total	Capital Value	Undistri- buted loss	Total	Capital Value	Undistri- buted income / (loss)	Total	Capital Value	Undistri- buted income / (loss)	Total
	(Rupees in '000)																	
Net Assets at the beginning of the year	-	-	-	-	-	-	123,200	(141)	123,059	472,874	(132,082)	340,792	211,921	(35,358)	176,563	-	-	-
Issuance of 1,051,825 units of Alhamra Smart Portfolio (2021: 91,000 of Plan - I, 9,174 of Plan - II and 1,232,102 of Smart Portfolio)																		
- Capital value (at net assets value per unit at the beginning of the year)	-	-	-	-	-	-	105,053	-	105,053	20,516	-	20,516	-	-	-	123,210	-	123,210
- Element of income/ (loss)	-	-	-	-	-	-	524	-	524	71	-	71	929	-	929	(10)	-	(10)
	-	-	-	-	-	-	105,577	-	105,577	20,587	-	20,587	929	-	929	123,200	-	123,200
Redemption of 832,160 units of Alhamra Smart Portfolio (2021: 1,895,691 of Plan - I 5,836,099 of Plan - II and Nil of Smart Portfolio)																		
- Capital value (at net assets value per unit at the beginning of the year)	-	-	-	-	-	-	(83,114)	-	(83,114)	(183,476)	-	(183,476)	-	-	-	-	-	-
- Amount paid out of element of income	-	-	-	-	-	-	-	(105)	(105)	-	(4,376)	(4,376)	-	(2,851)	(2,851)	-	-	-
- Relating to 'Net income for the year after taxation'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the year'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	-	-	-	-	-	-	(385)	-	(385)	(246)	-	(246)	(73,231)	-	(73,231)	-	-	-
	-	-	-	-	-	-	(83,604)	(105)	(83,604)	(183,722)	(4,376)	(188,098)	(73,231)	(2,851)	(76,082)	-	-	-
Total comprehensive income / (loss) for the year	-	-	-	-	-	-	-	1,371	1,371	-	10,400	10,400	-	10,657	10,657	-	(141)	(141)
Distribution during the year	-	-	-	-	-	-	(993)	(993)	-	(9,646)	(9,646)	-	(7,806)	(7,806)	-	-	-	-
Net income / (loss) for the year less distribution	-	-	-	-	-	-	378	378	-	754	754	-	2,851	2,851	-	(141)	(141)	(141)
Net assets at end of the year/maturity	-	-	-	-	-	-	145,173	132	145,409	309,739	(135,704)	174,035	139,619	(35,358)	104,261	123,200	(141)	123,059
Payable to unit holders on maturity	-	-	-	-	-	-	-	-	-	(309,739)	135,704	(174,035)	(139,619)	35,358	(104,261)	-	-	-
Net assets at end of the year	-	-	-	-	-	-	145,173	132	145,409	-	-	-	-	-	-	123,200	(141)	123,059
Undistributed (loss) / income brought forward comprising of:																		
- Realised							216							(36,374)			-	
- Unrealised							(357)							1,016			-	
							(141)							(35,358)			-	
Accounting income available for distribution:																		
- Relating to capital gains							1,266							7,806			-	
- Excluding capital gains							-							-			-	
							1,266							7,806			-	
Net loss for the year							-							-				(141)
Distribution during the year							(993)							(7,806)			-	
Undistributed loss carried forward							132							(35,358)			(141)	
Undistributed (loss) / income carried forward comprising of:																		
- Realised							3,130							(35,358)			216	
- Unrealised							(2,999)							-			(357)	
							132							(35,358)			(141)	
							-- (Rupees) --			-- (Rupees) --			-- (Rupees) --			-- (Rupees) --		
Net assets value per unit at beginning of the year							99.8771			90.2980			95.6301				-	
Net assets value per unit at end of the year							100.1599			-			-				99.8771	

The annexed notes 1 to 23 form an integral part of these financial statements.

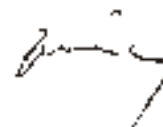
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

Note	June 30, 2022				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)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the year	-	-	1,371	1,371	10,399	10,657	(141)	20,915
<b>Adjustments for non cash and other items:</b>								
Markup on balances with banks	-	-	(629)	(629)	(337)	(418)	(30)	(784)
Dividend income	-	-	-	-	-	-	(235)	(235)
Realized (Gain) on sale of investments - net	-	-	(5,088)	(5,088)	(10,750)	(11,470)	-	(22,220)
Net unrealised loss / (income) on re-measurement of investments at fair value through profit or loss	-	-	2,999	2,999	-	-	357	357
Provision against Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	212	217	-	429
	-	-	(2,718)	(2,718)	(10,875)	(11,671)	92	(22,455)
<b>(Increase) / Decrease in assets</b>								
Investments	-	-	(15,150)	(15,150)	333,383	177,542	(121,436)	389,489
Advance, deposits and other receivables	-	-	-	-	60	-	-	60
	-	-	(15,150)	(15,150)	333,443	177,542	(121,436)	389,549
<b>(Decrease) / increase in liabilities</b>								
Payable to the Management Company	-	-	11	11	(40)	(21)	10	(51)
Payable to the Trustee	-	-	8	8	(28)	(25)	16	(37)
Payable to the Securities and Exchange Commission of Pakistan	-	(29)	33	4	(87)	(36)	1	(122)
Accrued expenses and other liabilities	(6,146)	(14,097)	380	(19,863)	4,930	12,992	54	17,976
	(6,146)	(14,126)	431	(19,841)	4,775	12,910	81	17,766
Markup received on balances with banks	-	-	590	590	430	464	-	894
Dividend received	-	-	-	-	-	-	235	235
<b>Net cash generated from operating activities</b>	(6,146)	(14,126)	(15,476)	(35,749)	338,172	189,902	(121,169)	406,903
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Amount received on issuance of units	-	-	105,577	105,577	20,587	929	123,200	144,716
Amount paid on redemption of units	-	-	(83,604)	(83,604)	(188,098)	(76,082)	-	(264,180)
Dividend paid	-	-	(993)	(993)	(183,681)	(112,067)	-	(295,748)
<b>Net cash used in financing activities</b>	-	-	20,979	20,979	(351,192)	(187,220)	123,200	(415,212)
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	(6,146)	(14,126)	5,502	(14,771)	(13,020)	2,682	2,031	(8,309)
Cash and cash equivalents at the beginning of the year	6,146	14,126	2,031	22,303	19,166	11,444	-	30,610
<b>Cash and cash equivalents at the end of the year</b>	5	-	7,532	7,532	6,146	14,126	2,031	22,301

The annexed notes 1 to 23 form an integral part of these financial statements.

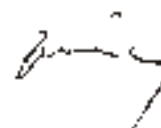
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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## 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).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund commenced its operations from December 29, 2016. The Fund is an open-end Shariah Compliant Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP circular No. 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.
- 1.4 The duration of the Fund is perpetual however, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I) which matured on December 28, 2020. On June 16, 2017, the Fund launched Allocation Plan-II which matured on June 16, 2021. The Management Company has settled the unit holders of Plan-I and Plan-II. On June 10, 2021, the Fund launched Alhamra Smart Portfolio. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no. 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as Trustee of the Fund.
- 1.7 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) 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

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

---

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

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

### **3. BASIS OF PREPARATION**

#### **3.1 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments which are measured at fair value.

#### **3.2 Critical accounting estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 4 till 4.16 respectively.

#### **3.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

#### **4.1 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 financial statements.

#### **4.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

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



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Standards, interpretations and amendments	Effective date
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture -Taxation in fair value measurements	January 01, 2022
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.	

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

## 4.3 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments (if any) with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

## 4.4 Financial assets

### 4.4.1 Classification

#### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at fair value through profit or loss.

#### **4.4.2 Initial Measurement**

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

#### **Subsequent Measurement**

##### **Debt instruments at Amortized Cost**

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate.

##### **Debt instruments at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

##### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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### 4.4.3 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

### 4.5 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

### 4.6 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

### 4.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 4.8 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### 4.9 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.

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.

### 4.10 Dividend distribution and appropriations

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on Mutual Funds Association of Pakistan (MUFAP) guidelines (duly consented upon by SECP), distributions for the year are deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

### 4.11 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

### 4.12 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 4.13 Revenue recognition

- Realized gain / (loss) on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / (loss) arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Markup on bank balances, term deposit receipts and government securities is recognised on effective interest rate method.

### 4.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

### 4.15 (Loss) / earnings per unit

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

### 4.16 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

		June 30, 2022			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Note		----- (Rupees in '000) -----			
5. BALANCES WITH BANKS					
In current account	5.1	-	-	1,516	1,516
In saving accounts	5.2	-	-	6,016	6,016
		-	-	7,532	7,532

		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
		----- (Rupees in '000) -----			
In current accounts		6,146	14,126	10	20,282
In saving accounts		-	-	2,020	2,020
		6,146	14,126	2,030	22,302

5.1 This account is maintained with MCB Bank Limited, a related party.

5.2 These carry markup ranging from 6.60% to 13.75% (2021: 6.60% to 6.8%) per annum.

		June 30, 2022			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
Note		----- (Rupees in '000) -----			
6. INVESTMENTS					
At fair value through profit or loss					
- Units of open-end mutual funds	6.1	-	-	138,320	138,320

		June 30, 2021			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
		----- (Rupees in '000) -----			
At fair value through profit or loss					
- Units of open-end mutual funds		-	-	121,079	121,079

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**6.1 Units of open-end mutual funds**

Name of the fund	Number of units				Balances as at June 30, 2022		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 June 30, 2022	Carrying Value	Unrealised (loss) / gain		
							-----	----- %
							(Rupees in '000)	
<b>Alhamra Smart Portfolio with related party</b>								
Alhamra Islamic Stock Fund	2,681,101	2,991,597	1,803,254	3,869,444	42,080	35,212	(6,868)	24.22%
Alhamra Islamic Income Fund	890,625	2,113,792	1,995,175	1,009,242	99,239	103,108	3,869	70.91%
<b>Total as at June 30, 2022</b>					<b>141,319</b>	<b>138,320</b>	<b>(2,999)</b>	
<b>Total as at June 30, 2021</b>					<b>121,435</b>	<b>121,079</b>	<b>(357)</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

		June 30, 2022				
7	PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
			(Rupees in '000)			
	Management remuneration payable	7.1	-	-	7	7
	Sindh sales tax payable on management remuneration	7.2	-	-	1	1
	Payable against allocated expenses	7.3	-	-	13	13
			-	-	21	21

	June 30, 2021			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----			
Management remuneration payable	-	-	3	3
Sindh sales tax payable on management remuneration	-	-	-	-
Payable against allocated expenses	-	-	7	7
	-	-	10	10

**7.1** As per the offering document, the Management Company has charged management fee at the rate of 10% (2021: 10%) on accrued bank mark-up calculated on daily basis.

**7.2** During the year, Sindh Sales Tax on management fee has been charged at 13% (2021: 13%).

**7.3** 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).

During the year, 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.

		June 30, 2022				
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total	
8	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	Note	(Rupees in '000)			
	Trustee remuneration payable	8.1	-	-	21	21
	Sindh sales tax payable on trustee remuneration	8.2	-	-	3	3
			-	-	24	24

	June 30, 2021			
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----			
Trustee remuneration payable	-	-	14	14
Sindh sales tax payable on trustee remuneration	-	-	2	2
	-	-	16	16

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 8.1** Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears as per the following tariff structure.

**Net Assets Value (NAV) Tariff per annum**

Up to Rs.1 billion	Rs.0.09% per annum of Daily Net Assets or Rs.0.25 million per annum, whichever is higher
Over Rs.1 billion	Rs.0.9 million plus 0.065% per annum of Daily Net Assets exceeding Rs.1 billion

- 8.2** Sindh Sales Tax at 13% (2021: 13%) is charged on Trustee fee.

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

SECP, vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee at 0.02% (2021: 0.02%) of net assets on all categories of collective investment schemes which is effective from July 01, 2020.

		June 30, 2022			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
		(Rupees in '000)			
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>				
Auditors' remuneration		-	-	354	354
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	-	-	-	-
Payable to legal advisor		-	-	34	34
Withholding Tax Payable		-	-	5	5
Others		-	-	40	40
		-	-	433	433

		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	12,843	34	18,041
		6,146	14,097	54	20,297

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

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future. Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021

## 12 AUDITORS' REMUNERATION

Annual audit fee  
Half yearly review fee  
Out of pocket expenses  
Sindh sales tax

June 30, 2022			
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----			
-	-	300	300
-	-	100	100
-	-	88	88
-	-	39	39
-	-	527	527

Annual audit fee  
Half yearly review fee  
Out of pocket expenses  
Sindh sales tax

June 30, 2021			
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
----- (Rupees in '000) -----			
-	280	17	297
57	35	-	92
-	7	-	7
5	25	-	30
62	347	17	426

## 13 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. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## 14 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

## 14.1 Unit Holders' Fund

		June 30, 2022					
		(Number of units)			(Rupees in '000)		
		As at July 01, 2021	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2022	Amount as at July 01, 2021	Amount as at June 30, 2022
<b>Alhamra Smart Portfolio</b>							
<b>Group / associated companies</b>							
MCB Arif Habib Savings and Investments Limited		1,200,000	7,021	-	1,207,021	119,853	120,895
					702	-	
		(Number of units)			(Rupees in '000)		
		As at July 01, 2020	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2021	Amount as at July 01, 2020	Amount as at June 30, 2021
<b>Alhamra Islamic Active Allocation Plan - I</b>							
<b>Group / associated companies</b>							
MCB Employees Pension Fund *		616,472	35,831	652,303	-	55,666	-
<b>Alhamra Islamic Active Allocation Plan - II</b>							
<b>Group / associated companies</b>							
MCB Employees Pension Fund *		825,997	-	825,997	-	78,990	-
<b>Unit holders holding 10% or more units</b>		680,074	-	680,074	-	61,409	-
<b>Alhamra Smart Portfolio</b>							
<b>Group / associated companies</b>							
MCB Arif Habib Savings and Investments Limited		-	1,200,000	-	1,200,000	-	119,853

\* These persons are also related party due to holding of more than 10% units of net assets of the Fund.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 14.2 Transactions during the year:

	June 30, 2022			Total
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	
	----- (Rupees in '000) -----			
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Remuneration of the Management Company	-	-	62	62
Sindh sales tax on remuneration of the Management Company	-	-	8	8
Allocated expenses	-	-	171	171
<b>Digital Custodian Company Limited - Trustee</b>				
Remuneration of the Trustee	-	-	250	250
Sindh sales tax on remuneration of the Trustee	-	-	32	32
<b>Alhamra Islamic Stock Fund</b>				
Purchase of 2,991,597 units by the Fund (2021: 2,681,101)	-	-	32,005	32,005
Sale of 1,803,254 Units, by the fund (2021: NIL)	-	-	18,684	18,684
<b>Alhamra Islamic Income Fund</b>				
Purchase of 2,113,792 units by the Fund (2021 : 890,625)	-	-	216,850	216,850
Sale of 1,995,175 units by the Fund (2021: NIL)	-	-	215,020	215,020
<b>MCB Bank Limited</b>				
Bank charges	-	-	4	4
	June 30, 2021			
	----- (Rupees in '000) -----			
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Remuneration of the Management Company	34	37	3	74
Sindh sales tax on remuneration of the Management Company	4	5	-	10
Allocated expenses	148	143	7	298
<b>Digital Custodian Company Limited - Trustee</b>				
Remuneration of the Trustee	137	238	14	388
Sindh sales tax on remuneration of the Trustee	18	31	2	51
<b>Alhamra Islamic Stock Fund</b>				
Purchase of 3,075,397 units, 4,028,447 units, and 2,681,101 units by the Fund	31,000	41,000	30,707	102,707
Sale of 3,075,397 units, 4,028,477 units, and 0 units by the Fund	33,153	45,078	-	78,231
<b>Alhamra Islamic Income Fund</b>				
Purchase of 315,918 units, 424,082 units and 890,625 units by the Fund	33,153	-	90,728	123,881
Sale of 3,483,764 units, 2,054,711 units and 0 units by the Fund	364,441	218,541	-	582,983
<b>MCB Bank Limited</b>				
Bank charges	5	3	-	8

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 14.3 Balances outstanding at year end:

June 30, 2022				
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----			
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Management remuneration payable	-	-	7	7
Sindh sales tax payable on Management Company remuneration	-	-	1	1
Payable against allocated expenses	-	-	13	13
<b>Digital Custodian Company Limited - Trustee</b>				
Trustee remuneration payable	-	-	21	21
Sindh sales tax payable on Trustee remuneration	-	-	3	3
<b>MCB Bank Limited - Group / associated company</b>				
Balances with bank - current account	-	-	1,516	1,516
<b>Alhamra Islamic Income Fund</b>				
Outstanding 1,009,242 units (2021: 890,625 units) (investments made by the Fund)	-	-	103,108	103,108
<b>Alhamra Islamic Stock Fund</b>				
Outstanding 3,869,444 units (2021: 2,681,101) (investments made by the Fund)	-	-	35,212	35,212

June 30, 2021				
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Alhamra Smart Portfolio	Total
	----- (Rupees in '000) -----			
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>				
Management remuneration payable	-	-	3	3
Sindh sales tax payable on Management Company remuneration	-	-	-	-
Payable against allocated expenses	-	-	7	7
<b>MCB Financial Services Limited - Trustee</b>				
Trustee remuneration payable	-	-	14	14
Sindh sales tax payable on Trustee remuneration	-	-	2	2
<b>MCB Bank Limited - Group / associated company</b>				
Balances with bank - current account	6,146	14,126	10	20,282
<b>Alhamra Islamic Income Fund</b>				
Outstanding 890,625 units (investments made by the Fund)	-	-	90,809	90,809
<b>Alhamra Islamic Income Fund</b>				
Outstanding 2,681,101 units (investments made by the Fund)	-	-	30,270	30,270

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 15. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund primarily invests in Sharia compliant Islamic schemes of the Management Company and Sharia compliant Islamic schemes of other asset management companies subject to the prior approval of the Commission and the Sharia Advisor, Islamic Bank and Islamic banking windows of conventional bank account.

#### 15.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the NBFC Regulations, The NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

##### 15.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

##### 15.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

##### a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs.Nil (2021: Rs.Nil million), Rs.Nil (2021: Rs.Nil million) and Rs.0.06 million (2021: Rs.0.020 million) for Plan I, II and Smart Portfolio respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

##### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments that may expose the Fund to any material interest rate risk.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Yield rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

## Alhamra Islamic Active Allocation Fund Plan I

Particulars	As at June 30, 2022					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%					

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

### On-balance sheet financial instruments

#### Financial assets

Bank balances	-	-	-	-	-
Investments	-	-	-	-	-
Markup receivable	-	-	-	-	-
Advance, deposits and other receivables	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-

#### Financial liabilities

Payable to the Management Company	-	-	-	-	-
Payable to the Trustee	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-

### On-balance sheet gap

-	-	-	-	-	-
---	---	---	---	---	---

## Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2022					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%					

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

### On-balance sheet financial instruments

#### Financial assets

Bank balances	-	-	-	-	-
Investments	-	-	-	-	-
Markup receivable	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-

#### Financial liabilities

Payable to the Management Company	-	-	-	-	-
Payable to the Trustee	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-
<b>Sub Total</b>	-	-	-	-	-

### On-balance sheet gap

-	-	-	-	-	-
---	---	---	---	---	---

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Alhamra Smart Portfolio						
As at June 30, 2022						
Particulars	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees in '000)				
<b>Financial assets</b>						
Bank balances	6.60% - 13.75%	1,516	-	-	6,016	7,532
Investments		-	-	-	138,320	138,320
Markup receivable		-	-	-	69	69
<b>Sub total</b>		<b>1,516</b>	<b>-</b>	<b>-</b>	<b>144,405</b>	<b>145,921</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	20	20
Payable to the Trustee		-	-	-	24	24
Accrued expenses and other liabilities		-	-	-	394	394
<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>438</b>	<b>438</b>
<b>On-balance sheet gap</b>		<b>1,516</b>	<b>-</b>	<b>-</b>	<b>143,967</b>	<b>145,483</b>

Alhamra Islamic Active Allocation Fund Plan I						
As at June 30, 2021						
Particulars	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees in '000)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	6.60% -6.80%	-	-	-	6,146	6,146
Investments		-	-	-	-	-
Markup receivable		-	-	-	-	-
Advance, deposits and other receivables		-	-	-	-	-
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6,146</b>	<b>6,146</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	5,159	5,159
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5,159</b>	<b>5,159</b>
<b>On-balance sheet gap</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>986</b>	<b>986</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Alhamra Islamic Active Allocation Fund Plan II						
Particulars	As at June 30, 2021					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.60% - 6.80%	-	-	-	14,126	14,126
Investments		-	-	-	-	-
Markup receivable		-	-	-	-	-
Sub total		-	-	-	14,126	14,126
Financial liabilities						
Financial liabilities		-	-	-	14,126	14,126
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Sub Total		-	-	-	14,126	14,126
On-balance sheet gap						
		-	-	-	-	-

Alhamra Smart Portfolio						
Particulars	As at June 30, 2021					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
<hr/>						
<div>%----- (Rupees in '000) -----</div>						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.60%	10	-	-	2,020	2,030
Investments		-	-	-	121,079	121,079
Markup receivable		-	-	-	30	30
Sub total		10	-	-	123,129	123,139
Financial liabilities						
Payable to the Management Company		-	-	-	10	10
Payable to the Trustee		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	54	54
Sub total		-	-	-	64	64
On-balance sheet gap						
		10	-	-	123,066	123,076

## 15.1.3 Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 6.915 million (2021: Rs. 6.054 million) for Smart Portfolio respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 15.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, markup and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2022 and June 30, 2021 is the carrying amounts of following financial assets.

The maximum exposure to credit risk as at June 30, 2022 was as follows:

	June 30, 2022					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees in '000)					
Bank balances	-	-	-	-	7,532	7,532
Investments	-	-	-	-	138,320	138,320
Markup receivable	-	-	-	-	69	69
	-	-	-	-	145,921	145,921

The maximum exposure to credit risk as at June 30, 2021 was as follows:

	June 30, 2021					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees in '000)					
Bank balances	6,146	6,146	14,126	14,126	2,031	2,031
Investments	-	-	-	-	121,079	121,079
Markup receivable	-	-	-	-	30	30
	6,146	6,146	14,126	14,126	123,140	123,140

### Balances by rating category

The Fund held bank balances and investments at June 30, 2022 with banks having following credit ratings:

Rating	June 30, 2022					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
<b>Balances with banks</b>						
AAA	-	-	-	-	1,516	20.13%
AA	-	-	-	-	6,016	79.87%
	-	-	-	-	7,532	100.00%
<b>Investment -</b>						
<b>Units of open-end mutual funds</b>						
AA-(f)	-	0.00%	-	0.00%	-	100.00%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2022.

The Fund held bank balances and investments at June 30, 2021 with banks having following credit ratings:

Rating	June 30, 2021					
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II		Alhamra Smart Portfolio	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
<b>Balances with banks</b>						
AAA	6,146	100.00%	14,055	5.31%	10	5.31%
AA+	-	0.00%	-	0.00%	2,020	0.00%
A+	-	0.00%	-	94.69%	-	94.69%
	<u>6,146</u>	<u>100.00%</u>	<u>14,055</u>	<u>100.00%</u>	<u>2,031</u>	<u>100.00%</u>
<b>Investment - Units of open-end mutual funds</b>						
AA-(f)	<u>-</u>	<u>100.00%</u>	<u>-</u>	<u>100.00%</u>	<u>-</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2021.

## Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not availed any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Alhamra Islamic Active Allocation Fund Plan I				
Particulars	As at June 30, 2022			
	Upto three months	More than three months and upto one year	More than one year	Total
----- (Rupees in '000) -----				
<b>Liabilities</b>				
Payable to the Management Company	-	-	-	-
Payable to the Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2022			
	Upto three months	More than three months and upto one year	More than one year	Total

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

### Liabilities

Payable to the Management Company  
Payable to the Trustee  
Accrued expenses and other liabilities

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

15.3

## Alhamra Smart Portfolio

Particulars	As at June 30, 2022			
	Upto three months	More than three months and upto one year	More than one year	Total

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

### Liabilities

Payable to the Management Company  
Payable to the Trustee  
Accrued expenses and other liabilities

20	-	-	20
21	-	-	21
394	-	-	394
435	-	-	435

## Alhamra Islamic Active Allocation Fund Plan I

Particulars	As at June 30, 2021			
	Upto three months	More than three months and upto one year	More than one year	Total

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

### Liabilities

Payable to the Management Company  
Payable to the Trustee  
Accrued expenses and other liabilities

-	-	-	-
-	-	-	-
5,159	-	-	5,159
5,159	-	-	5,159

## Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2021			
	Upto three months	More than three months and upto one year	More than one year	Total

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

### Liabilities

Payable to the Management Company  
Payable to the Trustee  
Accrued expenses and other liabilities

-	-	-	-
-	-	-	-
14,126	-	-	14,126
14,126	-	-	14,126

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Alhamra Smart Portfolio				
As at June 30, 2021				
Particulars	Upto three months	More than three months and upto one year	More than one year	Total
(Rupees in '000)				
<b>Liabilities</b>				
Payable to the Management Company	10	-	-	10
Payable to the Trustee	16	-	-	16
Accrued expenses and other liabilities	54	-	-	54
	80	-	-	80

## 15.4 Financial instruments by category

Alhamra Islamic Active Allocation Fund Plan I				
As at June 30, 2022				
Particulars	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
(Rupees in '000)				
<b>Financial assets</b>				
Bank balances	-	-	-	-
Investments	-	-	-	-
Markup receivable	-	-	-	-
Advance, deposits and other receivables	-	-	-	-
	-	-	-	-

As at June 30, 2022			
Particulars	At fair value through profit or	Amortised cost	Total
(Rupees in '000)			
<b>Financial liabilities</b>			
Payable to the Management Company	-	-	-
Payable to the Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-
	-	-	-

Alhamra Islamic Active Allocation Fund Plan II				
As at June 30, 2022				
Particulars	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
(Rupees in '000)				
<b>Financial assets</b>				
Bank balances	-	-	-	-
Investments	-	-	-	-
Markup receivable	-	-	-	-
	-	-	-	-

As at June 30, 2022			
Particulars	At fair value through profit or	Amortised cost	Total
(Rupees in '000)			
<b>Financial liabilities</b>			
Payable to the Management Company	-	-	-
Payable to the Trustee	-	-	-
Accrued expenses and other liabilities	-	-	-
	-	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Alhamra Smart Portfolio				
As at June 30, 2022				
Particulars	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
(Rupees in '000)				
<b>Financial assets</b>				
Bank balances	-	-	7,532	7,532
Investments	-	-	138,320	138,320
Markup receivable	-	-	69	69
	-	-	145,921	145,921

As at June 30, 2022			
Particulars	At fair value through profit or	Amortised cost	Total
(Rupees in '000)			
<b>Financial liabilities</b>			
Payable to the Management Company	-	20	20
Payable to the Trustee	-	21	21
Accrued expenses and other liabilities	-	394	394
	-	435	435

Alhamra Islamic Active Allocation Fund Plan I				
As at June 30, 2021				
Particulars	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
(Rupees in '000)				
<b>Financial assets</b>				
Bank balances	-	-	6,146	6,146
Investments	-	-	-	-
Markup receivable	-	-	-	-
Advances, deposits and Other receivable	-	-	-	-
	-	-	6,146	6,146

As at June 30, 2021			
Particulars	At fair value through profit or	Amortised cost	Total
(Rupees in '000)			
<b>Financial liabilities</b>			
Payable to the Management Company	-	-	-
Payable to the Trustee	-	-	-
Accrued expenses and other liabilities	-	5,159	5,159
	-	5,159	5,159

Alhamra Islamic Active Allocation Fund Plan II				
As at June 30, 2021				
Particulars	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
(Rupees in '000)				
<b>Financial assets</b>				
Bank balances	-	-	14,126	14,126
Investments	-	-	-	-
Markup receivable	-	-	-	-
	-	-	14,126	14,126

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Particulars	As at June 30, 2021		
	At fair value through profit or	Amortised cost	Total
	----- (Rupees in '000) -----		
<b>Financial liabilities</b>			
Payable to the Management Company	-	-	-
Payable to the Trustee	-	-	-
Accrued expenses and other liabilities	-	14,126	14,126
	-	14,126	14,126

Particulars	Alhamra Smart Portfolio As at June 30, 2021			
	At Fair value through OCI	At fair value through profit or	Amortised cost	Total
	----- (Rupees in '000) -----			
<b>Financial assets</b>				
Bank balances	-	-	2,031	2,031
Investments	-	-	121,079	121,079
Markup receivable	-	-	30	30
	-	-	123,140	123,140

Particulars	As at June 30, 2021		
	At fair value through profit or	Amortised cost	Total
	----- (Rupees in '000) -----		
<b>Financial liabilities</b>			
Payable to the Management Company	-	10	10
Payable to the Trustee	-	16	16
Accrued expenses and other liabilities	-	54	54
	-	80	80

## 16. Unit holders' fund risk management

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

In accordance with the risk management policies as stated above, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 17. 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).





# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 18. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Muhammad Saqib Saleem	Chief Executive Officer	24.5	FCCA & FCA
2	Muhammad Asim	Chief Investment Officer	19	MBA & CFA
3	Awais Abdul Sattar	Portfolio Manager Equities	11	MBA & CFA
4	Jawad Naeem	Head of Islamic Equities	14	MBA Finance & CFA Level 1
5	Saad Ahmed	Head Of Fixed Income	16	MBA
6	Usama Iqbal	Fund Manager	18	Graduate
7	Syed Abid Ali	Head Of Equities	14	MBA

### 18.1 Other funds managed by the fund manager

Mr. Syed Muhammad Usama Iqbal is the Manager of the Fund as at year end. Other funds being managed by him are as follows:

- Pakistan Income Fund
- Alhamra Islamic Income Fund
- Alhamra Islamic Money Market Fund
- Alhamra Wada Plan I

## 19. PATTERN OF UNIT HOLDING

### Alhamra Islamic Active Allocation Plan - I

Category	As at June 30, 2022			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
----- (Rupees in '000) -----				
Individuals	-	-	-	0.00%
Associated company	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%

### Alhamra Islamic Active Allocation Plan - II

Category	As at June 30, 2022			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
----- (Rupees in '000) -----				
Individuals	-	-	-	0.00%
Associated company	-	-	-	0.00%
Other	-	-	-	0.00%
	-	-	-	0.00%

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Alhamra Smart Portfolio**

Category	As at June 30, 2022			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
----- (Rupees in '000) -----				
Individuals	17	244,737	24,513	16.86%
Associated company	1	1,207,021	120,895	83.14%
Other	1	9	1	0.00%
	<u>19</u>	<u>1,451,767</u>	<u>145,409</u>	<u>100.00%</u>

**Alhamra Islamic Active Allocation Plan - I**

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
----- (Rupees in '000) -----				
Individuals	-	-	-	0.00%
Associated company	-	-	-	0.00%
Other	-	-	-	0.00%
	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>

**Alhamra Islamic Active Allocation Plan - II**

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
----- (Rupees in '000) -----				
Individuals	-	-	-	0.00%
Associated company	-	-	-	0.00%
Others	-	-	-	0.00%
	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>

**Alhamra Smart Portfolio**

Category	As at June 30, 2021			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
----- (Rupees in '000) -----				
Individual	1	32,102	3,206	2.61%
Associated company	1	1,200,000	119,853	97.39%
Others	-	-	-	0.00%
	<u>2</u>	<u>1,232,102</u>	<u>123,059</u>	<u>100.00%</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 20. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 168th, 169th, 170th, 171st, 172nd, 173rd, 174th, 175th, 176th meetings of the Board of Directors were held on August 09, 2021, September 15, 2021, October 18, 2021, October 22, 2021, February 03, 2022, February 08, 2022, March 10, 2022, April 13, 2022, May 04, 2022. respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	Number of meetings				Meetings not attended
		Held	Attendance required	Attended	Leave granted	
Directors						
1	Mr. Haroun Rashid	9	9	8	1	176th
2	Mr. Nasim Beg	9	9	9	-	-
3	Mr. Ahmed Jahangir	9	9	8	1	170th
4	Mirza Qamar Beg	9	9	9	-	-
5	Syed Savail Meekal Hussain	9	9	8	1	170th
6	Mr. Kashif A. Habib	9	9	7	2	176th and 169th
7	Ms. Mavra Adil Khan	9	9	7	2	168th & 170th
8	Mr. Muhammad Saqib Saleem	9	9	9	-	

## 21. TOTAL EXPENSE RATIO

Total Expense Ratio of the Alhamra Smart Portfolio is 0.75% (2021: 0.04%) as on June 30, 2022 and these include 0.04% (2021: Nil) representing Government Levy and SECP fee respectively.

## 22. GENERAL

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

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

## 23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in the meeting held on August 15 2022.

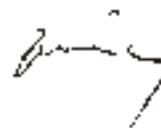
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE  
FOR THE YEAR ENDED JUNE 30, 2022**

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No. of Unit Holders	Unit holdings	Total units held
4	A. 001-10,000	164
3	B. 10,001 – 100,000	2,061
3	C. 100,001 – 1000,000	10,128
9	D. 1000,001 & Above	1,439,414
<u>19</u>		<u>1,451,767</u>

**PERFORMANCE TABLE  
FOR THE YEAR ENDED JUNE 30, 2022**

Performance Information	2022	2021
Total Net Assets Value – Rs. in million	145.4089	123.0590
Net Assets value per unit – Rupees	100.1599	99.8771
Closing Offer Price	103.5553	103.2629
Closing Repurchase Price	100.1599	99.8771
Highest offer price per unit	106.4141	103.8610
Lowest offer price per unit	102.1542	100.0000
Highest Redemption price per unit	102.9249	100.4556
Lowest Redemption price per unit	98.8047	99.6280
Distribution per unit – Rs. *	0.6881	-
<b>Average Annual Return - %</b>		
One year (Inception Date 11-Jun-17)	0.97	-0.12
Two year	0.43	NA
Three year	NA	NA
Net (loss) / Income for the period – Rs. in million	1.3706	(0.1412)
Distribution made during the year – Rs. in million	1.0984	-
Accumulated Capital Growth – Rs. in million	0.2722	(0.1412)

\* Date of Distribution

2022	
Date	Rate
June 30, 2022	0.6881

**Disclaimer**

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.



**MCB-Arif Habib Savings and Investments Limited**

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

UAN: (+92-21) 11-11-62224 (11-11-MCB-AH)

URL: [www.mcbah.com](http://www.mcbah.com), Email: [info@mcbah.com](mailto:info@mcbah.com)