



MCB-ARIF HABIB  
Savings and Investments Limited

# ANNUAL REPORT 2022

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



**JSAVE**  
Savings Asaan. Life Asaan.

# **ALHAMRA ISLAMIC ASSET 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>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Meezan Bank Limited Dubai Islamic Bank Pakistan Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Askari Bank Limited Soneri Bank Limited Al Baraka Bank Pak Limited Allied Bank Limited	
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<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 Islamic Asset Allocation Fund** 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.

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

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 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 delivered a return of -17.22% as against its benchmark return of -9.53%.

On the equities front, the overall allocation was 79.4% at the end of the period under review. The fund was mainly invested in Cement, Oil & Gas Exploration Companies and Commercial Banks significantly during the period.

On the fixed income side, there was no exposure towards Sukuk at the end of the period under review.

The Net Assets of the Fund as at June 30, 2022 stood at Rs. 1,689 million as compared to Rs. 2,335 million as at June 30, 2021 registering a decrease of 27.67%.

The Net Asset Value (NAV) per unit as at June 30, 2022 was Rs. 64.3927 as compared to opening NAV of Rs. 77.7831 per unit as at June 30, 2021 registering a decrease of Rs. 13.3904 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

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

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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.

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.

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

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).

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.



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

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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.
- 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:

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR 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. The 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.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1	Muhammad Asif Mehdi Rizvi	Chief Operating & Financial Officer	6,857	6,863	-

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

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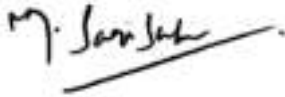
## External Auditors

The fund's external auditors, **M/s A.F. Ferguson & Co. 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 A.F. Ferguson & Co. 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.

## ACKNOWLEDGMENT

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

On behalf of Directors,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
August 15, 2022



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**Nasim Beg**  
Director and Vice Chairman

## ڈائریکٹرز رپورٹ

### خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز 'اے ایف فرگوسن اینڈ کمپنی 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 'اے ایف فرگوسن اینڈ کمپنی 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۔

### اظہار تشکر

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 او اےس چیئرمین



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		
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ میٹنگز کی تعداد	
-	9	9	9	۱۔ مرزا احمد قمر بیگ (چیرمین)
-	9	9	9	۲۔ جناب نسیم بیگ
1	8	9	9	۳۔ جناب احمد جہانگیر
3	6	9	9	۴۔ جناب کاشف اے صبیح
-	9	9	9	۵۔ سید ساویل میکال حسین

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

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

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

۱۱۔ فنڈ کے یونٹس میں تجارتی دوران سال ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرنل آڈیٹرز اور ان کی شریک حیات اور تابالغ بچوں کے ذریعے کی گئی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
					یونٹس کی تعداد
۱	محمد آصف مہدی رضوی	چیف آپریٹنگ آفیسر	6,857	6,863	-

## ڈائریکٹرز رپورٹ

منجمنٹ 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 منجمنٹ کے کردار اور ذمہ داریوں کو واضح کیا گیا ہے، کے مطابق کاروبار کرنے پر کاربند ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے بالمسرت 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 بکنس 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) (زویز 2003، non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیلی ریگولیشنز 2008، متعلقہ ٹرسٹ ڈیڈز کی

ضروریات اور سیکورٹیز 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. واپس الاء، ٹیکس، قانونی چارجز اور ڈیویڈنڈ (اگر کوئی ہیں تو) کو آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔

i. پراویڈنٹ / گریجویٹس اور منجمنٹ فنڈ کی سرمایہ کاریوں کی قدر کے بیان کا اطلاق فنڈ پر نہیں ہوتا لیکن منجمنٹ کمپنی پر ہوتا ہے؛ چنانچہ ڈائریکٹرز رپورٹ

میں کوئی اظہار نہیں کیا گیا ہے۔

j. 30 جون 2022 تک، کمپنی ڈائریکٹرز کے تربیتی 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 پونٹ 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 منجمنٹ کی حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کر دی گئی ہیں۔ سال مختتمہ 30 جون 2022ء کے دوران ہونے

والی کمیٹی منجمنٹ کی تفصیلات درج ذیل ہیں؛



## ڈائریکٹرز رپورٹ

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سوڈی شروں میں اضافے سے Money مارکیٹ فنڈز میں آمدورفت کی حوصلہ افزائی ہوگی۔ فائننس ایکٹ 2023ء میں حالیہ تبدیلیوں سے بھی سرمایہ کاروں کو ترغیب ملے گی کہ وہ میوچل فنڈز کے ذریعے بچت اور سرمایہ کاری کریں۔ گلسڈ 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 کاران پر کشش سطحوں پر ایکٹوٹی میں مزید پیر لگانا چاہیں گے۔ ہمارے آپریٹرز بلا کاؤٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو نافذ کرنے کے لیے پرعزم ہے۔ بورڈ آف ڈائریکٹرز (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 آراینڈ آر کمیٹی *
3.	جناب احمد جہانگیر	Non ایگزیکٹو ڈائریکٹر	(i) آؤٹ کمیٹی؛ اور (ii) ایچ آراینڈ 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 آراینڈ آر کمیٹی *
6.	جناب مرزا اقریب بیگ	خود مختار ڈائریکٹر	(i) آؤٹ کمیٹی (چیئرمین)؛ اور (ii) ایچ آراینڈ آر کمیٹی* (چیئرمین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آراینڈ آر کمیٹی *
8.	جناب محمد ثاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آراینڈ آر کمیٹی *

\* ایچ آراینڈ آر: ہیومن ریسورس اینڈ ریویژنیشن

## ڈائریکٹرز رپورٹ

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 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 امدادی 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 باوجود 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 امید کرتے ہیں کہ ایس بی پی منفی شرح سود برقرار رکھنے کے ذریعے مالیاتی سختی اور لاگتوں کو متوازن کرے گا۔

کنٹیجیل 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، خطرات کے پریمیم 8.3 فیصد کے قریب ہیں، اور ان کے تاریخی 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 ان کنٹینرز 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 بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری رقم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں پر محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2022ء کے 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 انتظامیہ 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۔



## فنزڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (17.22) فیصد منافع حاصل کیا، جبکہ مقررہ معیار کا منافع (9.53) فیصد تھا۔

ایکویٹیز میں مجموعی اختصاص زیر جائزہ مدت کے اختتام پر 79.4 فیصد تھا۔ دوران مدت فنڈ کی زیادہ تر سرمایہ کاری تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں کے شعبے میں تھی۔

مقررہ آمدنی کی جہت میں زیر جائزہ مدت کے اختتام پر مستحکم میں کوئی شمولیت نہیں تھی۔

30 جون 2022 کو فنڈ کے net اثاثہ جات 1,689 ملین روپے تھے جو 30 جون 2021 کی سطح 2,335 ملین روپے کے مقابلے میں 27.67 فیصد کمی ہے۔

30 جون 2022 کو net اثاثہ جاتی قدر (این اے ڈی) فی یونٹ 64.3927 روپے تھی جو 30 جون 2021 کو ابتدائی این اے ڈی 77.7831 روپے فی یونٹ کے مقابلے میں 13.3904 روپے فی یونٹ کمی 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 2023 کے بجٹ میں تبدیلیاں کی ہیں تاکہ مالی سال 2023 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 ایک سٹیبل فنڈ فیسلٹی (ای ایف ایف) کے مشترکہ ساتویں اور آٹھویں جائزے کے تحت فنڈ 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 2022 کی بجائے جون 2023 تک مدت کی توسیع کی جائے۔ آئی ایم ایف پروگرام سے خارجی اکاؤنٹ مستحکم ہوگا اور پالیسی سازوں کو دور کار 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 2022 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 2023 میں جی ڈی پی کی ترقی میں 2.5 سے 3.0 فیصد تک کمی کی 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 ایشیا 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 رہاؤ 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 ٹکڑا جائیں گے۔ چنانچہ ہمیں امید ہے کہ مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ 7.6 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) کم ہوگا جبکہ اس کے بالمتقابل مالی سال 2022 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 دو طرفہ اور کثیر الجہتی بہاؤ بھی ہماری خارجی صورتحال کو سنبھالنے میں اہم کردار ادا کریں

## ڈائریکٹرز 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 شکل 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 مماثل 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 چکر 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 بالترتیب 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 صبح 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 فنڈل کا ہٹکارا ہا کیونکہ روس یوکرین جنگ کے باعث متعدد مجموعی معاشی 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 ایشیا 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 سہولت کے مطابق آمدنی کے حصول میں بہتری آئے اور اخراجات پر قابو پایا جاسکے۔

دوران سال کھاد اور کیمیکل کارکردگی میں سہولت لے جانے والے شعبے تھے جنہوں بالترتیب 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 تھی (+189 فیصد YoY کے نتیجے میں 332 ڈالر فی ٹن)۔ مالی سال 2022ء کے دوران اوسط تجارتی حجم اور قدر میں بالترتیب 45 فیصد (291 ملین حصص) کمی اور 54 فیصد کمی (55 ملین ڈالر) ہوئی۔

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



یورڈ آف ڈائریکٹرز کی طرف سے ائمراء اسلامک ایسٹ ایلیویشن فنڈ 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 ملکہ کو مجموعی معاشیاتی جہت 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 ہوئے 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 نکلے 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 نبرد آزما ہو رہی تھی اور سیاسی افراتفری نے حالات میں مزید بگاڑ پیدا کر دیا۔ بڑھتی ہوئی سیاسی بائبل کے نتیجے میں عوامی سطح کے اقدامات کیے گئے، مثلاً ایندھن اور بجلی کی سبسڈی، 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 ملکہ 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 تنزل کی بنیادی وجہ مالی سال 2022ء کے ابتدائی گیارہ ماہ میں درآمدات میں 36.5 فیصد اضافہ تھا جبکہ اس کے بالمقابل 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 تیل، پام تیل اور کولے کی تاریخی بلند قیمتیں اور اس کے ساتھ ساتھ یکبارہ یکسین درآمدات تھی۔

مالی سال 2022ء میں مرکزی بینک کے زرمبادلہ کے ذخائر میں 7.4 بلین ڈالر کی 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 کاٹکار 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 بنتا 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۔ بیڈ 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 دور دورہ تھیں، 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

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## Fund Type and Category

Alhamra Islamic Asset Allocation Fund (ALHAA) is an Open-End Shariah Compliant Asset Allocation Scheme.

## Fund Benchmark

The benchmark for ALHAA 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 MUFAP on the basis of actual proportion held by the Scheme.

## Investment Objective

The objective of the fund is to provide medium to long term capital appreciation through investing in Shariah compliant investments in Pakistan and Internationally.

## Investment Strategy

Alhamra Islamic Asset Allocation Fund (ALHAA) is an open-end asset allocation fund which seeks to achieve its objective through investing in a portfolio of Shariah compliant investments diversified across the capital markets of Pakistan as well as keeping a limited exposure internationally. The Fund is managed through an active management strategy with dynamic allocation towards different asset classes. The investment process is driven by fundamental research. The domestic portfolio of the Fund primarily invests in fundamentally strong Shariah compliant equities, high quality Sukuks and other Shariah compliant instruments. For equities, fundamental outlook of sectors/companies and DCF (Discounted Cash Flow) valuations are the primary factors in sectors' allocation and stock selection. Major portion of the Fund's portfolio is high quality liquid stocks.

## Manager's Review

During the period under review, the fund delivered a return of -17.22% as against its benchmark return of -9.53%.

The overall allocation was 79.4% at the end of the period under review. The fund was mainly invested in Oil & Gas Exploration Companies, Cement and Commercial Banks during the period. Fund was invested 18.8% in cash.

The Net Assets of the Fund as at June 30, 2022 stood at Rs. 1,689 million as compared to Rs. 2,335 million as at June 30, 2021 registering an decrease of 27.7%. The Net Asset Value (NAV) per unit as at June 30, 2022 was Rs. 64.3927 as compared to opening NAV of Rs. 77.7831 per unit as at June 30, 2021 registering an decrease of Rs. 13.3904 per unit.

### Asset Allocation as of June 30, 2022 (%age of Total Assets)

Asset Allocation (%age of Total Assets)	Jun-22
Cash	18.8%
Others including receivables	1.8%

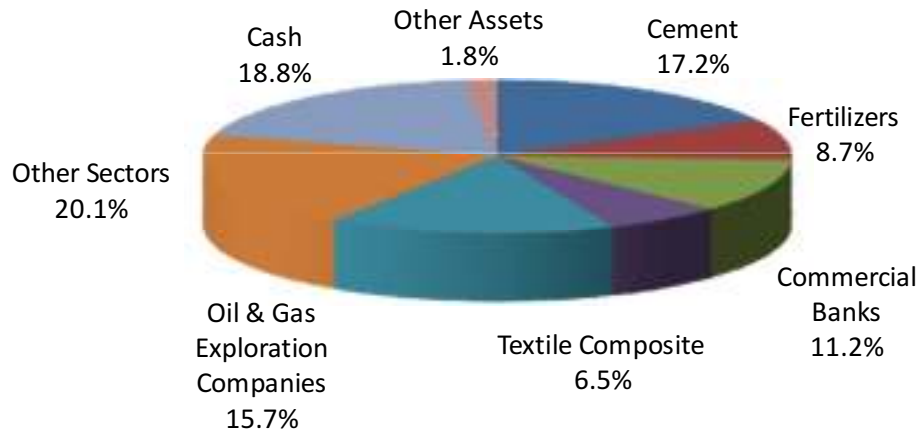
**REPORT OF THE FUND MANAGER  
FOR THE YEAR ENDED JUNE 30, 2022**

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Stocks / Equities 79.4%

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



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**Jawad Naeem  
Fund Manager**

# TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block B

S.M.C.H.S., Main Shahr-e-Faisal

Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### ALHAMRA ISLAMIC ASSET ALLOCATION FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Islamic Asset Allocation Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: September 19, 2022



# 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 the Alhamra Islamic Asset Allocation Fund (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:

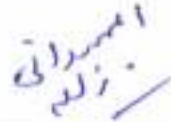
- We have reviewed and approved the modes of investment of ALHAA in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHAA by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information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

During the year an amount of Rupees 2,940,296.20 was transferred to charity account. The total amount of charity payable as at 30 June 2022 amounts to Rs. 2,940,296.20.

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



A.F.FERGUSON&Co.

## INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Alhamra Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Alhamra Islamic Asset Allocation Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement 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 give a true and fair view of the financial position of the Fund as at June 30, 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 is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	<b>Net Asset Value (NAV)</b> (Refer notes 5 and 6 to the annexed financial statements)  Balances with banks and Investments constitute the most significant components of the NAV. Balances with banks of the Fund as at June 30, 2022 aggregated to Rs 324.30 million and Investments amounted to Rs 1,370.513 million. The existence of balances with banks and the existence and proper valuation of Investments for the determination of NAV of the Fund as at June 30, 2022 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"><li>• Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced them to the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>• Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

A.F.FERGUSON & CO.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32425007/32427938/32424740; <www.pwc.com/pk>

=KARACHI=LAHORE=ISLAMABAD



# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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AFFERGUSON & Co.

## 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 auditor's 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 of the Management Company 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.

Board of directors of the management company is 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.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

3



A·F·FERGUSON&Co.

- 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 board of directors of the management company 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 board of directors of the management company 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.

From the matters communicated with board of directors of the management company, 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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A handwritten signature in blue ink that reads 'A. F. Ferguson &amp; Co.' The signature is written in a cursive, flowing style.

A. F. Ferguson & Co.  
Chartered Accountants

Dated: September 22, 2022

Karachi

UDIN: AR20221006100N7eMfT1

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

	Note	June 30, 2022	June 30, 2021
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Balances with banks	5	324,500	334,549
Investments	6	1,370,513	2,002,301
Dividend, mark-up and other receivables	7	4,631	2,086
Advances, prepayments and deposits	8	3,905	3,905
Receivable against sale of investments		21,945	33,855
<b>Total assets</b>		<u>1,725,494</u>	<u>2,376,696</u>
<b>LIABILITIES</b>			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	9	6,073	8,865
Payable to Central Depository Company of Pakistan Limited - Trustee	10	253	316
Payable to the Securities and Exchange Commission of Pakistan	11	429	488
Payable against purchase of investments		17,522	-
Accrued and other liabilities	12	12,146	32,139
<b>Total liabilities</b>		<u>36,423</u>	<u>41,808</u>
<b>NET ASSETS</b>		<u>1,689,071</u>	<u>2,334,888</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>1,689,071</u>	<u>2,334,888</u>
<b>Contingencies and commitments</b>	13		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<u>26,230,784</u>	<u>30,017,933</u>
----- (Rupees) -----			
<b>NET ASSET VALUE PER UNIT</b>	4.7	<u>64.3927</u>	<u>77.7831</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

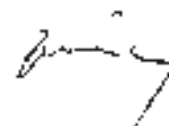
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	Note	For the year ended	
		June 30, 2022	June 30, 2021
----- (Rupees in '000) -----			
<b>INCOME</b>			
Capital (loss) / gain on sale of investments - net		(227,460)	399,750
Dividend income		90,966	80,854
Income from Sukuk Certificates		-	4,170
Mark-up on bank deposits		32,926	23,286
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net	6.1.1	(203,164)	143,001
<b>Total income</b>		(306,732)	651,061
<b>EXPENSES</b>			
Remuneration of MCB-Arif Habib Savings & Investments Limited - Management Company	9.1	70,762	61,161
Sindh Sales Tax on remuneration of the Management Company	9.2	9,199	7,951
Allocated expenses	9.3	2,144	2,442
Selling and marketing expenses	9.4	-	19,428
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	3,144	3,442
Sindh Sales Tax on remuneration of the Trustee	10.2	409	447
Annual fee to the Securities and Exchange Commission of Pakistan	11	429	488
Auditors' remuneration	14	501	612
Brokerage, settlement and bank charges		10,049	13,271
Fees and subscription		27	27
Legal and professional charges		150	137
Shariah advisory fee		720	744
Printing and related costs		41	41
Donation / charity		2,940	2,916
<b>Total expenses</b>		(100,515)	(113,107)
<b>Net (loss) / income from operating activities</b>		(407,247)	537,954
Reversal of provision / (provision) for Sindh Worker's Welfare Fund (SWWF)		18,922	(10,759)
<b>Net (loss) / income for the year before taxation</b>		(388,325)	527,195
Taxation	15	-	-
<b>Net (loss) / income for the year after taxation</b>		(388,325)	527,195
<b>Earnings per unit</b>	4.13		
<i>Allocation of net income:</i>			
Net income after taxation		-	527,195
Income already paid on units redeemed		-	(175,125)
		-	352,070
<i>Accounting income available for distribution:</i>			
- Relating to capital gains		-	352,070
- Excluding capital gains		-	-
		-	352,070

The annexed notes from 1 to 28 form an integral part of these financial statements.

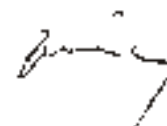
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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	<u>For the year ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	----- (Rupees in '000) -----	
<b>Net (loss) / income for the year after taxation</b>	(388,325)	527,195
Other comprehensive income for the year	-	-
<b>Total comprehensive (loss) / income for the year</b>	<u>(388,325)</u>	<u>527,195</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

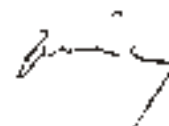
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	June 30, 2022			June 30, 2021		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	(Accumulated loss) / undistributed income	Total
	----- (Rupees in '000) -----					
<b>Net assets at beginning of the year</b>	2,177,116	157,772	2,334,888	2,157,877	(194,298)	1,963,579
Issuance of 8,532,338 (2021: 17,787,428) units						
- Capital value (at net assets value per unit at the beginning of the year)	663,672	-	663,672	1,112,056	-	1,112,056
- Element of (loss) / Income	(27,098)	-	(27,098)	158,574	-	158,574
	636,574	-	636,574	1,270,630	-	1,270,630
Redemption of 12,319,487 (2021: 19,177,113) units						
- Capital value (at net assets value per unit at the beginning of the year)	958,248	-	958,248	1,198,938	-	1,198,938
- Element of (income) / loss	(64,182)	-	(64,182)	52,453	175,125	227,578
	894,066	-	894,066	1,251,391	175,125	1,426,516
Total comprehensive (loss) / income for the year	-	(388,325)	(388,325)	-	527,195	527,195
Final distribution for the year ended June 30, 2022						
<b>Net assets at the end of the year</b>	<u>1,919,624</u>	<u>(230,553)</u>	<u>1,689,071</u>	<u>2,177,116</u>	<u>157,772</u>	<u>2,334,888</u>
<b>Undistributed income / (accumulated loss) brought forward comprising of:</b>						
- Realised	14,771			(117,658)		
- Unrealised	143,001			(76,640)		
	157,772			(194,298)		
<b>Accounting income available for distribution:</b>						
- Relating to capital gains	-			352,070		
- Excluding capital gains	-			-		
	-			352,070		
Net loss for the year after taxation	(388,325)			-		
Distribution during the year	-			-		
<b>(Accumulated loss) / undistributed income carried forward</b>	<u>(230,553)</u>			<u>157,772</u>		
<b>(Accumulated loss) / undistributed income carried forward comprising of:</b>						
- Realised	(27,389)			14,771		
- Unrealised	(203,164)			143,001		
	<u>(230,553)</u>			<u>157,772</u>		
	<b>(Rupees)</b>			<b>(Rupees)</b>		
<b>Net asset value per unit at the beginning of the year</b>	<u>77.7831</u>			<u>62.5192</u>		
<b>Net asset value per unit at the end of the year</b>	<u>64.3927</u>			<u>77.7831</u>		

The annexed notes from 1 to 28 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

	For the year ended	
	June 30, 2022	June 30, 2021
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year before taxation	(388,325)	527,195
<b>Adjustments for:</b>		
Dividend income	(90,966)	(80,854)
(Reversal of provision) / provision for Sindh Worker's Welfare Fund (SWWF)	(18,922)	10,759
Unrealised diminution / (appreciation) on remeasurement of investments classified as financial assets at fair value through profit or loss - net	203,164	(143,001)
	<u>(295,049)</u>	<u>314,099</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	428,624	(111,276)
Dividend, mark-up and other receivables	(2,771)	4,399
Advances, prepayments and deposits	-	-
Receivable against sale of investments	11,910	(33,855)
	437,763	(140,732)
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(2,792)	(1,467)
Payable to Central Depository Company of Pakistan Limited - Trustee	(63)	41
Payable to the Securities and Exchange Commission of Pakistan	(59)	17
Payable against purchase of investments	17,522	(7,343)
Accrued and other liabilities	(1,071)	2,232
	13,537	(6,520)
Dividend received	91,191	84,789
<b>Net cash generated from operating activities</b>	<u>247,442</u>	<u>251,636</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	636,574	1,270,630
Payments on redemption of units	(894,066)	(1,426,516)
<b>Net cash used in financing activities</b>	<u>(257,492)</u>	<u>(155,886)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<u>(10,049)</u>	<u>95,750</u>
Cash and cash equivalents at beginning of the year	334,549	238,799
<b>Cash and cash equivalents at end of the year</b>	<u>16</u> <u>324,500</u>	<u>334,549</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

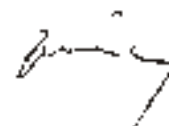
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2005 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in securities or instruments both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Shariah compliant Islamic Asset Allocation" scheme by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.6 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

## 3 BASIS OF PREPARATION

### 3.1 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 (IFRSs) 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;
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (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 the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and the requirements of the Trust Deed have been followed.



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

## 3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

## 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain other standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

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

There are certain other standards, interpretations and amendments that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

## 3.5 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.3), provision for Federal Excise Duty (note 12.2) and provision for taxation (notes 4.12 and 15).

## 3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### 4.2 Cash and cash equivalents

These comprise balances with banks and other short-term highly liquid investments with original maturities of three months or less.

### 4.3 Financial assets

#### 4.3.1 Classification and subsequent measurement

##### 4.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity.

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

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

## 4.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

## 4.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments as per Circular 33 of 2012) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

### 4.3.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

## 4.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 4.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

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

## 4.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## 4.3.7 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

## 4.4 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently stated at amortized cost using the effective interest method. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement. Financial liabilities include payable to the Management Company and certain other liabilities.

## 4.5 Offsetting of financial assets and financial 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.

## 4.6 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 4.7 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.

## 4.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties, charges and transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties, charges and transaction costs, if applicable.

## 4.9 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 Net Asset Value per unit on the issuance or redemption date, as the case may be, of units and the net assets value 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 net asset value 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.

## 4.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.

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

- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates, term deposit receipts and government securities is recognized on an accrual basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognized on an accrual basis using the effective yield method.

#### 4.11 Expenses

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

#### 4.12 Taxation

##### Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

##### Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

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 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

#### 4.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net profit / loss of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

#### 4.14 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

#### 4.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

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

		Note	June 30, 2022	June 30, 2021
			----- (Rupees in '000) -----	
<b>5</b>	<b>BALANCES WITH BANKS</b>			
	In current accounts		9,342	7,161
	In deposit accounts	5.1	315,158	327,388
		5.2	<u>324,500</u>	<u>334,549</u>

**5.1** These carry mark-up at the rates ranging from 6.55% to 15.51% per annum (2021: 5.50% to 7.00% per annum).

**5.2** These include balances held with related parties of Rs. 9.161 million (2021: Rs. 6.158 million) with MCB Bank Limited and Rs. 0.013 million (2021: Rs. 0.013 million) with MCB Islamic Bank Limited.

		Note	June 30, 2022	June 30, 2021
			----- (Rupees in '000) -----	
<b>6</b>	<b>INVESTMENTS</b>			
<b>6.1</b>	<b>Investments at fair value through profit or loss</b>			
	Listed equity securities	6.1.1	<u>1,370,513</u>	<u>2,002,301</u>
			<u>1,370,513</u>	<u>2,002,301</u>

**6.1.1 Listed equity securities**

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

Name of the investee company	Number of shares					Balance as at June 30, 2022			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2021	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Unrealised (loss) / gain	Total investments	Net assets	
----- (Rupees in '000) ----- % -----											
<b>Automobile parts &amp; accessories</b>											
Agriauto Industires Limited*	80,000	2,000	-	25,600	56,400	15,407	7,557	(7,850)	0.45	0.55	0.20
Panther Tyres Limited	481,420	195,000	-	676,420	-	-	-	-	-	-	-
Thal Limited*	100,000	38,000	-	85,000	53,000	22,044	14,290	(7,754)	0.85	1.04	0.07
						<b>37,451</b>	<b>21,847</b>	<b>(15,604)</b>	<b>1.30</b>	<b>1.59</b>	<b>0.27</b>
<b>Automobile Assembler</b>											
Ghandhara Nissan Limited	-	64,300	-	64,300	-	-	-	-	-	-	-
Honda Atlas Cars(Pakistan) Limited	59,000	131,000	-	190,000	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited*	60,000	140,300	-	200,300	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Cable and electrical goods</b>											
Pak Elektron Limited**	-	2,207,500	-	1,307,500	900,000	14,940	14,301	(639)	0.85	1.04	0.11
						<b>14,940</b>	<b>14,301</b>	<b>(639)</b>	<b>0.85</b>	<b>1.04</b>	<b>0.11</b>
<b>Cement</b>											
Cherat Cement Company Limited	-	692,700	-	539,572	153,128	22,888	14,247	(8,641)	0.84	1.04	0.08
D.G. Khan Cement Company Limited**	355,000	889,218	-	915,953	328,265	26,595	20,517	(6,078)	1.21	1.50	0.07
Fauji Cement Company Limited	1,350,000	5,817,500	-	1,310,000	5,857,500	102,743	83,000	(19,743)	4.91	6.06	0.42
Gharibwal Cement Ltd	-	760,000	-	101,000	659,000	23,325	12,850	(10,475)	0.76	0.94	0.16
Kohat Cement Company Limited	350,200	189,200	-	310,000	229,400	42,304	29,852	(12,452)	1.77	2.18	0.11
Lucky Cement Limited	245,000	140,756	-	206,756	179,000	132,670	82,168	(50,502)	4.86	6.00	0.06
Maple Leaf Cement Factory Limited	2,200,000	3,156,153	-	3,381,153	1,975,000	68,534	54,016	(14,518)	3.20	3.94	0.18
Pioneer Cement Limited*	-	267,193	-	267,000	193	14	10	(4)	-	-	-
						<b>419,073</b>	<b>296,660</b>	<b>(122,413)</b>	<b>17.55</b>	<b>21.66</b>	<b>1.08</b>
<b>Chemical</b>											
Engro Polymer and Chemicals Limited	675,248	516,500	-	1,191,748	-	-	-	-	-	-	-
Archroma Pakistan Limited	21,150	11,800	-	22,050	10,900	6,442	5,983	(459)	0.35	0.44	0.03
						<b>6,442</b>	<b>5,983</b>	<b>(459)</b>	<b>0.35</b>	<b>0.44</b>	<b>0.03</b>
<b>Balance carried forward</b>						<b>37,451</b>	<b>21,847</b>	<b>(15,604)</b>			

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

\*\* These represent transactions in shares of related parties

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

Name of the investee company	Number of shares					Balance as at June 30, 2022			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2021	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Unrealised (loss) / gain	Total investments	Net assets	
						----- (Rupees in '000) -----			----- % -----		
<b>Balance brought forward</b>	-	-	-	-	-	37,451	21,847	(15,604)			
<b>Commercial banks</b>											
Meezan Bank Limited*****	1,252,000	890,000	165,000	947,000	1,360,000	156,211	153,653	(2,558)	9.10	11.21	0.08
Bankislami Pakistan Limited	-	3,724,500	-	424,500	3,300,000	41,903	39,732	(2,171)	2.35	2.90	0.30
						<b>198,114</b>	<b>193,385</b>	<b>(4,729)</b>	<b>11.45</b>	<b>14.11</b>	<b>0.38</b>
<b>Engineering</b>											
Agha Steel Ind. Ltd*	265,000	490,000	24,525	779,500	25	1	-	(1)	-	-	-
Aisha Steel Mills Limited**	-	1,814,000	-	1,114,000	700,000	10,286	7,735	(2,551)	0.46	0.56	0.08
Amreli Steels Limited	-	460,000	-	460,000	-	-	-	-	-	-	-
International Industries Limited	98,000	76,261	-	174,261	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	100,000	689,850	47,250	452,100	385,000	28,855	22,192	(6,663)	1.31	1.62	0.11
						<b>39,142</b>	<b>29,927</b>	<b>(9,215)</b>	<b>1.77</b>	<b>2.18</b>	<b>0.19</b>
<b>Fertilizer</b>											
Engro Fertilizer Limited	-	1,832,503	-	1,132,503	700,000	61,249	62,048	799	3.67	4.53	0.05
Engro Corporation Limited	323,000	372,834	-	402,222	293,612	80,894	75,485	(5,409)	4.47	5.51	0.05
Fauji Fertilizer Bin Qasim Limited*****	700,000	2,121,000	-	2,226,000	595,000	12,513	12,043	(470)	0.71	0.88	0.05
						<b>154,656</b>	<b>149,576</b>	<b>(5,080)</b>	<b>8.85</b>	<b>10.92</b>	<b>0.15</b>
<b>Food and personal care products</b>											
Al Shaheer Corporation	575,000	50,000	-	625,000	-	-	-	-	-	-	-
At-Tahur Limited	-	650,500	-	243,000	407,500	9,602	7,771	(1,831)	0.46	0.57	0.21
The Organic Meat Company Limited	460,000	732,000	54,600	220,000	1,026,600	28,690	22,421	(6,269)	1.33	1.64	0.83
Unity Foods Limited	-	550,000	-	550,000	-	-	-	-	-	-	-
						<b>38,292</b>	<b>30,192</b>	<b>(8,100)</b>	<b>1.79</b>	<b>2.21</b>	<b>1.04</b>
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles & Ceramics Limited	-	451,500	-	16,500	435,000	10,712	6,364	(4,348)	0.38	0.46	0.13
Tariq Glass Industries	-	224,200	-	72,612	151,588	16,391	15,736	(655)	0.93	1.15	0.11
						<b>27,103</b>	<b>22,100</b>	<b>(5,003)</b>	<b>1.31</b>	<b>1.61</b>	<b>0.24</b>
<b>Oil and gas exploration companies</b>											
Mari Petroleum Company Limited	95,008	43,280	-	54,579	83,709	133,058	145,632	12,574	8.62	10.63	0.06
Oil & Gas Development Company Limited	1,337,781	569,000	-	1,206,781	700,000	62,776	55,069	(7,707)	3.26	4.02	0.02
Pakistan Oilfields Limited	216,000	70,000	-	249,000	37,000	14,318	15,015	697	0.89	1.10	0.01
Pakistan Petroleum Limited	1,289,367	876,000	-	1,338,546	826,821	64,800	55,818	(8,982)	3.30	4.07	0.03
						<b>274,952</b>	<b>271,534</b>	<b>(3,418)</b>	<b>16.07</b>	<b>19.82</b>	<b>0.12</b>
<b>Oil and gas marketing companies</b>											
Attock Petroleum Limited	98,900	50,700	-	149,600	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	250,000	-	-	250,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	283,000	45,000	-	328,000	-	-	-	-	-	-	-
Shell (Pakistan) Limited	110,000	-	-	110,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	225,000	1,024,513	-	1,168,923	80,590	2,746	2,757	11	0.16	0.20	0.01
						<b>2,746</b>	<b>2,757</b>	<b>11</b>	<b>0.16</b>	<b>0.20</b>	<b>0.01</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	70,000	-	-	70,000	-	-	-	-	-	-	-
Agp Limited	-	81,861	-	-	81,861	7,160	7,173	13	0.42	0.52	0.03
Citi Pharma limited	-	830,000	-	130,000	700,000	23,536	22,848	(688)	1.35	1.67	0.31
Glaxosmithkline Pakistan	-	114,200	-	114,200	-	-	-	-	-	-	-
Glaxosmithkline Consumer Healthcare Pakistan Limited	-	114,500	-	10,000	104,500	25,776	24,905	(871)	1.47	1.82	0.09
Highnoon Laboratories Limited	37,000	-	1,465	28,450	10,015	5,463	5,307	(156)	0.31	0.39	0.02
Ibl Healthcare Limited	175,000	-	-	175,000	-	-	-	-	-	-	-
The Searle Company Limited	84,000	205,000	15,000	304,000	-	-	-	-	-	-	-
						<b>61,935</b>	<b>60,233</b>	<b>(1,702)</b>	<b>3.55</b>	<b>4.40</b>	<b>0.45</b>
<b>Balance carried forward</b>						<b>1,212,911</b>	<b>1,038,262</b>	<b>(174,649)</b>			

\* Nil figures due to rounding off

\*\* These represent transactions in shares of related parties

\*\*\*\*\* These represent pledge securities

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

Name of the investee company	Number of shares					Balance as at June 30, 2022			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2021	Purchased during the year	Bonus / Right issue during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Unrealised (loss) / gain	Total investments	Net assets	
						----- (Rupees in '000) -----					%
<b>Balance brought forward</b>	-	-	-	-	-	1,212,911	1,038,262	(174,649)			
<b>Refinery</b>											
Attock Refinery Limited	74,000	285,000	-	189,000	170,000	25,978	29,883	3,905	1.77	2.18	0.16
Energyco PK Limited	-	1,200,000	-	1,200,000	-	-	-	-	-	-	-
						<b>25,978</b>	<b>29,883</b>	<b>3,905</b>	<b>1.77</b>	<b>2.18</b>	<b>0.16</b>
<b>Power generation and distribution</b>											
Hub Power Company Limited	1,000,000	1,150,000	-	1,600,000	550,000	37,081	37,494	413	2.22	2.74	0.04
K-Electric Limited****	4,500,000	-	-	4,500,000	-	-	-	-	-	-	-
						<b>37,081</b>	<b>37,494</b>	<b>413</b>	<b>2.22</b>	<b>2.74</b>	<b>0.04</b>
<b>Technology and communication</b>											
Air Link Communication Ltd	-	467,000	-	167,000	300,000	17,080	12,117	(4,963)	0.72	0.88	0.08
Avanceon Limited	-	220,000	-	220,000	-	-	-	-	-	-	-
Octopus Digital Limited	-	280,299	-	280,299	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	1,350,000	-	1,350,000	-	-	-	-	-	-	-
Systems Limited	42,000	126,148	64,500	137,648	95,000	31,280	31,337	57	1.86	2.29	0.03
TRG Pakistan Limited	125,000	145,000	-	270,000	-	-	-	-	-	-	-
						<b>48,360</b>	<b>43,454</b>	<b>(4,906)</b>	<b>2.58</b>	<b>3.17</b>	<b>0.11</b>
<b>Transport</b>											
Pakistan International Bulk Terminal Limited	-	2,550,000	-	2,550,000	-	-	-	-	-	-	-
<b>Textile composite</b>											
Interloop Limited	450,020	147,042	16,890	385,502	228,450	15,606	13,935	(1,671)	0.83	1.02	0.03
Kohinoor Textile Mills Limited	270,650	577,500	-	369,000	479,150	30,359	23,958	(6,401)	1.42	1.75	0.16
Nishat (Chunian) Limited**	-	1,467,338	-	462,338	1,005,000	51,378	45,014	(6,364)	2.67	3.28	0.42
Nishat Mills Limited**	-	715,186	-	315,186	400,000	32,119	29,564	(2,555)	1.75	2.16	0.11
						<b>129,462</b>	<b>112,471</b>	<b>(16,991)</b>	<b>6.67</b>	<b>8.21</b>	<b>0.72</b>
<b>Paper And Board</b>											
Century Paper & Board Mills Limited*	-	101,100	-	100,504	596	36	37	1	-	-	-
Cherat Packaging Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Packages Limited	122,994	32,200	-	114,950	40,244	19,620	16,052	(3,568)	0.95	1.17	0.05
						<b>19,656</b>	<b>16,089</b>	<b>(3,567)</b>	<b>0.95</b>	<b>1.17</b>	<b>0.05</b>
<b>Miscellaneous</b>											
Pakistan Aluminium Beverage Cans Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
Shifa International Hospitals	100,000	122,000	4,400	44,300	182,100	38,286	32,621	(5,665)	1.93	2.38	0.29
Synthetic Products Limited*&****	3,200	3,456	256	6,510	402	8	6	(2)	-	-	-
						<b>38,294</b>	<b>32,627</b>	<b>(5,667)</b>	<b>1.93</b>	<b>2.38</b>	<b>0.29</b>
<b>Total as at June 30, 2022</b>						<b>1,573,677</b>	<b>1,370,513</b>	<b>(203,164)</b>			
Total as at June 30, 2021						1,859,300	2,002,301	143,001			

\* Nil figures due to rounding off

\*\* These represent transactions in shares of related parties

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

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

\*\*\*\*\* Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP:

Name of security	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	--- (Number of shares) ---		----- (Rupees in '000) -----	
Meezan Bank Limited	500,000	-	56,490	-
Fauji Cement Company Limited	2,000,000	-	28,340	-
The Hub Power Company Limited	-	233,744	-	18,622
Oil & Gas Development Company Limited	-	600,000	-	57,018
	-	<b>833,744</b>	-	<b>75,640</b>



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

**6.1.1.1** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. During the year ended June 30, 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018, effective from July 1, 2018, has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.057 million (2021: 0.105 million).

	Note	June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>7</b>	<b>DIVIDEND, PROFIT AND OTHER RECEIVABLES</b>		
	Dividend receivable	-	226
	Markup receivable on deposit accounts with banks	4,519	1,571
	Other receivable	112	289
		4,631	2,086
<b>8</b>	<b>ADVANCES, Prepayments AND DEPOSITS</b>		
	Security deposits with:		
	- National Clearing Company of Pakistan Limited (NCCPL)	2,500	2,500
	- Central Depository Company of Pakistan Limited (CDC)	200	200
	Advance tax	8.1	1,205
		3,905	3,905

**8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on debt paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on debt amounts to Rs 1.205 million (2021: Rs 1.205 million).



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

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as advance tax under 'Advances and deposits' as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>9 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENT LIMITED - MANAGEMENT COMPANY</b>			
Management fee payable	9.1	4,680	6,537
Sindh Sales Tax payable on remuneration of the Management Company	9.2	609	850
Allocated expenses payable	9.3	141	198
Sales load payable		76	404
Back end load payable		507	816
Shariah advisory fee payable		60	60
		6,073	8,865

**9.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable limit, the Management Company has charged its remuneration at the rate of 3.3% per annum (2021: 3% per annum) of the average daily net assets of the Fund during the year. The remuneration is payable to the Management Company monthly in arrears.

**9.2** During the year, an amount of Rs. 9.199 million (2021: Rs. 7.951 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 9.440 million (2021: Rs. 7.519 million) has been paid to the Management Company which acts as a collecting agent.

**9.3** 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).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the Board of Directors of the Management Company.

**9.4** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

The Management Company has not charged selling and marketing expenses to the Fund based on its discretion, which has also been approved by the BOD of the Management Company.

	Note	June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee fee payable	10.1	224	280
Sindh Sales Tax payable on trustee fee	10.2	29	36
		253	316

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

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the average daily net assets of the Fund during the year. The tariff structure applicable to the Fund in respect of trustee fee is as follows:

Average net asset value	Tariff per annum
Up to Rs.1,000 million	0.20% per annum of net assets
Amount exceeding Rs.1,000 million	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

The aforementioned limits were revised and are effective since February 19, 2021. Previously, the tariff structure applicable to the Fund in respect of trustee fee was as follows:

Average net asset value	Tariff per annum
Up to Rs.1,000 million	Rs.0.7 million or 0.20% per annum of net assets, whichever is higher
Amount exceeding Rs.1,000 million	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

- 10.2 During the year, an amount of Rs. 0.409 million (2021: Rs 0.447 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.416 million (2021: Rs. 0.443 million) was paid to the Trustee which acts as a collecting agent.

	Note	June 30, 2022	June 30, 2021
<b>11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		<b>(Rupees in '000)</b>	
Annual fee	11.1	<u>429</u>	<u>488</u>

- 11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (2021: 0.02%) of the average daily net assets of the Fund during the year.

	Note	June 30, 2022	June 30, 2021
<b>12 ACCRUED AND OTHER LIABILITIES</b>		<b>----- (Rupees in '000) -----</b>	
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	-	18,922
Provision for Federal Excise Duty payable on remuneration of the Management Company	12.2	5,910	5,910
Federal Excise Duty payable on sales load		1,136	1,136
Charity / donation payable		2,940	2,916
Auditors' remuneration payable		303	357
Withholding tax payable		4	1,190
Brokerage payable		762	1,052
Other payables		1,091	656
		<u>12,146</u>	<u>32,139</u>

- 12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

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

During the current year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these financial statements of the Fund.

- 12.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 7.04 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2022 would have been higher by Re. 0.27 (2021: Re. 0.20) per unit.

### 13 CONTINGENCIES AND COMMITMENTS

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

	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
<b>14 AUDITORS' REMUNERATION</b>		
Annual audit fee	250	250
Half yearly review fee	131	131
Other certification and services	50	50
Out of pocket expenses and other taxes	70	181
	501	612

### 15 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The fund has not recorded any tax liability, as the fund has incurred net loss during the year.

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.

	Note	June 30, 2022	June 30, 2021
		(Rupees in '000)	
<b>16 CASH AND CASH EQUIVALENTS</b>			
Balances with banks	5	324,500	334,549
		324,500	334,549

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

## 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 4.69% (2021: 5.07%) which includes 0.47% (2021: 0.8%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio is 4.5% (2021: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Shariah compliant Islamic Asset Allocation" scheme.

## 18 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 and the Trustee is determined in accordance with the provisions of the NBFC Regulations and constitutive documents of the Fund respectively.

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

	For the year ended June 30, 2022	For the year ended June 30, 2021
	----- (Rupees in '000) -----	
<b>18.1 Transactions during the year:</b>		
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration (including related taxes)	79,961	69,112
Selling and marketing expenses	-	19,428
Allocated expenses	2,144	2,442
Shariah advisory fee	720	744
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration (including indirect taxes)	3,553	3,889
Central Depository Service (CDS) settlement charges	238	305
<b>Group / Associated Companies</b>		
<b>MCB Bank Limited</b>		
Bank charges	21	38
<b>MCB Islamic Bank Limited</b>		
Markup on bank deposits	1	1
<b>Arif Habib Limited - Brokerage house</b>		
Brokerage and settlement charges *	552	824
<b>D.G. Khan Cement Company Limited</b>		
Purchase of shares 889,218 (June 30, 2021: 1,785,000) shares	68,135	201,357
Sale of shares 915,953 (June 30, 2021: 1,430,000) shares	67,266	158,744
Dividend Income	250	
<b>Fatima Fertilizer Company Limited</b>		
Sale of Nil (June 30, 2021: 2,080,500) shares	-	59,639

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

	For the year ended June 30, 2022 ----- (Rupees in '000) -----	For the year ended June 30, 2021 ----- (Rupees in '000) -----
<b>Nishat Mills Limited</b>		
Purchase of 715,186 (June 30, 2021: 860,000) shares	57,524	90,791
Sale of 315,186 (June 30, 2021: 860,000) shares	24,093	91,263
Dividend income	-	2,480
<b>Power Cement Limited</b>		
Purchase of NIL (June 30, 2021: 5,093,000) shares	-	56,188
Sale of NIL (June 30, 2021 :5,093,000) shares	-	48,115
<b>Aisha Steel Mills Limited</b>		
Purchase of 1,814,000 (June 30, 2021: Nil) shares	28,224	-
Sale of 1,114,000 (June 30, 2021 :Nil) shares	17,655	-
<b>Nishat (Chunian) Limited</b>		
Purchase of 1,467,338 (June 30, 2021 :Nil) shares	74,288	-
Sale of 462,338 (June 30, 2021 :Nil) shares	22,884	-
Dividend Income	1,964	-
<b>Pak Elektron Limited</b>		
Purchase of 2,207,500 (June 30, 2021: Nil) shares	43,795	-
Sale of 1,307,500 (June 30, 2021 :Nil) shares	28,654	-
<b>18.2 Balances outstanding at year end:</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	----- (Rupees in '000) -----	
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	4,680	6,537
Sindh sales tax payable on remuneration of the management company	609	850
Allocated expenses payable	141	198
Sales load payable	68	358
Sales tax payable on sales load	9	46
Back end load payable	507	816
Shariah advisory fee payable	60	60
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	224	280
Sindh sales tax payable on trustee fee	29	36
Security deposit	200	200
<b>Arif Habib Limited - Brokerage house</b>		
Brokerage and settlement charges payable *	16	53
<b>MCB Bank Limited</b>		
Balances with bank	9,161	6,158
<b>MCB Islamic Bank Limited</b>		
Balances with bank	13	13

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

	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
<b>Nishat Chunian Limited</b> 1,005,000 (2021: Nil) shares held	45,014	-
<b>Nishat Mills Limited</b> 400,000 (2021: Nil) shares held	29,564	-
<b>Pak Elektron Limited</b> 900,000 (2021: Nil) shares held	14,301	-
<b>Aisha Steel Limited</b> 700,000 (2021: Nil) shares held	7,735	-
<b>D.G. Khan Cement Company Limited</b> 328,265 (2021: 355,000) shares held	20,517	41,862

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

### 18.3 Transactions during the year with connected persons / related parties in units of the Fund:

	June 30, 2022							
	As at July 01, 2021	Issued for cash	Redeemed	As at June 30, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at June 30, 2022
	----- Units -----				----- (Rupees in '000) -----			
<b>Group / associated companies</b>								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	112,524	-	-	112,524	8,752	-	-	7,246
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	580,377	-	-	580,377	45,144	-	-	37,372
Adamjee Life Assurance Co. Ltd. Amaanat Fund	290,429	275,872	102,970	463,331	22,590	20,000	7,500	29,835
Adamjee Life Assurance Company Limited-Mazaaf	1,932,536	-	-	1,932,536	150,319	-	-	124,441
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	170,175	3,039	167,136	-	11,700	200	10,762
<b>Key management personnel *</b>	19,469	18,442	20,587	17,324	1,514	1,381	1,444	1,116
<b>Mandate under discretionary portfolio services*</b>	421,012	691,851	370,477	742,386	32,748	49,880	25,486	47,804

\* This reflects the position of related party / connected person status as at June 30, 2022.

	June 30, 2021							
	As at July 01, 2020	Issued for cash	Redeemed	As at June 30, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at June 30, 2021
	----- Units -----				----- (Rupees in '000) -----			
<b>Group / associated companies</b>								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	112,493	31	-	112,524	7,033	91	-	8,752
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	580,211	166	-	580,377	36,274	470	-	45,144
Adamjee Life Assurance Company Limited-Mazaaf	1,939,509	32,906	39,879	1,932,536	121,257	2,500	3,000	150,319
Adamjee Life Assurance Company Limited - Amaanat Fund	-	290,429	-	290,429	-	22,800	-	22,590
<b>Key management personnel *</b>	12,691	22,833	13,969	21,555	793	1,741	1,056	1,677
<b>Mandate under discretionary portfolio services*</b>	313,966	485,970	238,415	561,521	19,629	34,239	17,785	43,677

\* This reflects the position of related party / connected person status as at June 30, 2021.



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

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2022		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
<b>Financial assets</b>			
Balances with banks	324,500	-	324,500
Investments	-	1,370,513	1,370,513
Dividend, mark-up and other receivables	4,631	-	4,631
Receivable against sale of investments	21,945	-	21,945
Deposits	2,700	-	2,700
	<u>353,776</u>	<u>1,370,513</u>	<u>1,724,289</u>
<b>Financial liabilities</b>			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6,073	-	6,073
Payable to Central Depository Company of Pakistan Limited - Trustee	253	-	253
Payable against purchase of investments	17,522	-	17,522
Accrued and other liabilities	5,069	-	5,069
	<u>28,917</u>	<u>-</u>	<u>28,917</u>

	June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
<b>Financial assets</b>			
Balances with banks	334,549	-	334,549
Investments	-	2,002,301	2,002,301
Dividend, mark-up and other receivables	2,086	-	2,086
Receivable against sale of investments	33,855	-	33,855
Deposits	2,700	-	2,700
	<u>373,190</u>	<u>2,002,301</u>	<u>2,375,491</u>
<b>Financial liabilities</b>			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	8,865	-	8,865
Payable to Central Depository Company of Pakistan Limited - Trustee	316	-	316
Accrued and other liabilities	4,981	-	4,981
	<u>14,162</u>	<u>-</u>	<u>14,162</u>

### 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

#### 20.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

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

### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (ii) Yield / Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with banks and sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

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

As at June 30, 2022, the Fund is exposed to cash flow profit rate risk on bank deposits. In case of 100 basis points increase / decrease as on June 30, 2022, with all other variables held constant, the net assets value of the Fund and the net income for the year would have been lower / higher by Rs 3.152 million (2021: Rs 3.274 million).

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

As at June 30, 2022, the Fund does not hold any financial instrument exposing the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

June 30, 2022					
Profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					

#### On-balance sheet financial instruments

##### Financial assets

Balances with banks	6.55% to 15.51%	315,158	-	-	9,342	324,500
Listed equity securities		-	-	-	1,370,513	1,370,513
Dividend, markup and other receivables		-	-	-	4,631	4,631
Receivable against sale of investments		-	-	-	21,945	21,945
Deposits		-	-	-	2,700	2,700
		315,158	-	-	1,409,131	1,724,289

##### Financial liabilities

Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company					6,073	6,073
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	253	253
Payable against purchase of investments		-	-	-	17,522	17,522
Accrued and other liabilities		-	-	-	5,069	5,069
		-	-	-	28,917	28,917

#### On-balance sheet gap (a)

	315,158	-	-	1,380,214	1,695,372
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#### Off-balance sheet financial instruments

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

#### Off-balance sheet gap (b)

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

#### Total profit rate sensitivity gap (a+b)

	315,158	-	-		
--	---------	---	---	--	--

#### Cumulative profit rate sensitivity gap

	315,158	315,158	315,158		
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

June 30, 2021					
Profit rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and upto one year	More than one year		

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

**On-balance sheet financial instruments**

**Financial assets**

Balances with banks	5.5% to 7.0%	327,388	-	-	7,161	334,549
Listed equity securities		-	-	-	2,002,301	2,002,301
Dividend, markup and other receivables		-	-	-	2,086	2,086
Receivable against sale of investments		-	-	-	33,855	33,855
Deposits		-	-	-	2,700	2,700
		327,388	-	-	2,048,103	2,375,491

**Financial liabilities**

Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company					8,865	8,865
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	316	316
Accrued and other liabilities		-	-	-	4,981	4,981
		-	-	-	14,162	14,162

**On-balance sheet gap (a)**

	327,388	-	-	2,033,941	2,361,329
--	---------	---	---	-----------	-----------

**Off-balance sheet financial instruments**

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

**Off-balance sheet gap (b)**

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

**Total profit rate sensitivity gap (a+b)**

	327,388	-	-
--	---------	---	---

**Cumulative profit rate sensitivity gap**

	327,388	327,388	327,388
--	---------	---------	---------

**(iii) Price risk**

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 profit rate 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.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 6.1.1.

The following table illustrates the sensitivity of the profit for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each statement of assets and liabilities date, with all other variables held constant.

	June 30, 2022	June 30, 2021
	----- (Rupees '000) -----	
<b>Effect due to increase / decrease in KSE 100 index</b>		
Investments	68,526	100,115
Income statement	68,526	100,115

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

### 20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	-----2022-----		-----2021-----	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	-----Rupees in '000-----			
Balances with banks	324,500	324,500	334,549	334,549
Investments in equity and government securities	1,370,513	-	2,002,301	-
Dividend, markup and other receivables	4,631	4,631	2,086	2,086
Deposits	2,700	2,700	2,700	2,700
Receivable against sale of investments	21,945	21,945	33,855	33,855
	<u>1,724,289</u>	<u>353,776</u>	<u>2,375,491</u>	<u>373,190</u>

Difference in the balance as per statement of asset and liabilities and maximum exposure is due to the fact that investments in equity securities and government securities of Rs.1,370.513 million (2021: Rs. 2,002.301 million) and profit receivable from government securities of Rs: Nil (2021: Rs. Nil million) is not exposed to credit risk.

Details of credit rating of balances with banks as at June 30, 2022 are as follows:

Bank balances by rating category	2022	2021
	----- % -----	
AAA	89.76	66.10
AA+	0.01	0.01
AA	0.13	33.88
A+	10.10	0.01
A-*	0.00	0.00
	<u>100</u>	<u>100</u>

\* Nil figures due to rounding off.

#### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

### 20.3 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions 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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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 in issue. The Fund did not withhold any redemptions during the year.

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

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. The maturity profile of the Fund's liabilities based on contractual maturities is given below:

----- June 30, 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

----- Rupees in '000 -----

### Financial liabilities

Payable to the MCB-Arif Habib Savings and Investments Limited

Payable to Central Depository

Company of Pakistan - Trustee

Payable against purchase of investments

Accrued and other liabilities

6,073	-	-	-	-	-	6,073
253	-	-	-	-	-	253
17,522	-	-	-	-	-	17,522
5,069	-	-	-	-	-	5,069
<b>28,917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,917</b>

----- June 30, 2021 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

----- Rupees in '000 -----

### Financial liabilities

Payable to the MCB-Arif Habib Savings and Investments Limited

Payable to Central Depository

Company of Pakistan - Trustee

Accrued and other liabilities

8,865	-	-	-	-	-	8,865
316	-	-	-	-	-	316
4,981	-	-	-	-	-	4,981
<b>14,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,162</b>

## 21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

### Fair value hierarchy

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

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

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

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

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

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

----- June 30, 2022 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
Listed equity securities	1,370,513	-	1,370,513
	<u>1,370,513</u>	<u>-</u>	<u>1,370,513</u>
----- June 30, 2021 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
Listed equity securities	2,002,301	-	2,002,301
	<u>2,002,301</u>	<u>-</u>	<u>2,002,301</u>

### 22 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of their proportionate share of the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in unit holders' Fund'.

The Fund has no restriction 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 historically maintained and complied with the requirements of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

### 23 PATTERN OF UNITHOLDING

#### Details of pattern of unitholding

----- June 30, 2022 -----			
Number of unit holders	Number of units held	Investment amount	Percentage investment
		(Rupees in '000)	%
Individual	2,279	17,395,415	66.32%
Retirement Fund	28	5,579,204	21.27%
Associated Company	5	3,255,905	12.40%
Others	1	260	0.00%
	<u>2,313</u>	<u>26,230,784</u>	<u>100%</u>

----- June 30, 2021 -----			
Number of unit holders	Number of units held	Investment amount	Percentage investment
		(Rupees in '000)	%
Individuals	2,370	21,174,603	70.54%
Retirement funds	30	5,755,669	19.17%
Associated companies	4	2,915,866	9.71%
Others	5	171,795	0.57%
	<u>2,409</u>	<u>30,017,933</u>	<u>100%</u>



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

### 24 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Details of commission paid by the fund to top ten brokers by percentage during the year are as follows:

	<b>June 30, 2022 (Percentage)</b>
Arif Habib Limited	6.91%
Top Line Securities Pvt Ltd	6.66%
Intermarket Securities Ltd	6.60%
Efg Hermes Pakistan Limited	5.07%
Djm Securities Pvt Limited	4.88%
Alfalah Clsa Securities (Pvt	4.66%
Akd Securities Ltd	4.62%
Next Capital Ltd	4.56%
Al Habib Capital Markets Pvt	4.16%
Khadim Ali Shah Bukhari Sec	3.97%
<b>June 30, 2021 (Percentage)</b>	
Top Line Securities Pvt Ltd	8.83%
Arif Habib Limited	7.68%
Alfalah Clsa Securities Pvt Ltd	7.19%
Intermarket Securities Ltd	6.83%
Al Falah Securities Private Limited	6.46%
Efg Hermes Pakistan Limited	6.07%
Bma Capital Management Ltd	4.11%
Akik Capital (Private) Limited	3.72%
Foundation Securities Ltd	3.45%
Taurus Securities Limited	3.36%

### 25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

The 168th, 169th, 170th, 171st, 172nd, 173rd, 174th, 175th and 176th meeting 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:

Name of persons attending the meetings	Designation	Number of meetings held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave granted	
Mr. Haroun Rashid	Chairman	9	9	8	1	176th
Mr. Nasim Beg	Vice Chairman	9	9	9	-	-
Mr. Muhammad Saqib Saleem	Chief Executive Officer	9	9	9	-	-
Mr. Ahmed Jahangir	Director	9	9	8	1	170th
Mr. Mirza Qamar Beg	Director	9	9	9	-	-
Syed Savail Meekal Hussain	Director	9	9	8	1	169th
Mr. Kashif A. Habib	Director	9	9	7	2	169th and 176th
Ms. Mavra Adil Khan	Director	9	9	7	2	168th and 170th

### 26 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of Investment Committee of the Fund are as follows:

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

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

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Mr. Jawwad Naeem is the Manager of the Fund as at year end. Other funds being managed by him are as follows:

- Alhamra Islamic Pension Fund; and
- Alhamra Islamic Stock Fund

### 27 DATE OF AUTHORISATION FOR ISSUE

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

### 28 GENERAL

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

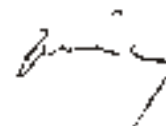
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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
856	A. 001-10,000	31,533
865	B. 10,001 – 100,000	526,845
394	C. 100,001 – 1000,000	2,360,401
198	D. 1000,001 & Above	23,312,005
<u>2,313</u>		<u>26,230,784</u>

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

Performance Information	2022	2021	2020	2019	2018
Total Net Assets Value – Rs. in million	1,689.0710	2,334.8880	1,963.5787	2,973.0870	3,634.0000
Net Assets value per unit – Rupees	64.3927	77.7831	62.5192	63.8246	70.0492
Closing Offer Price	66.5756	80.4199	64.6386	65.9883	72.4239
Closing Repurchase Price	62.2098	75.1463	62.5192	63.8246	70.0492
Highest offer price per unit	83.0021	83.0920	80.4091	74.6502	77.1006
Lowest offer price per unit	65.5420	65.6646	52.0342	63.6464	69.8535
Highest Redemption price per unit	80.2806	80.3675	77.7726	72.2025	74.5726
Lowest Redemption price per unit	63.3930	63.5116	50.3281	61.5595	67.5631
Distribution per unit – Rs. *	-	-	0.8205	-	-
<b>Average Annual Return - %</b>					
One year	-17.22	24.41	-0.76	-8.89	-4.06
Two year	3.60	11.83	-4.83	-6.48	11.84
Three year	2.14	4.92	-4.57	4.93	9.59
Net Income for the year – Rs. in million	(388.3256)	527.1950	(20.355)	(315.449)	(77.1931)
Distribution made during the year – Rs. in million	-	-	25.7112	-	-
Accumulated Capital Growth – Rs. in million	(388.3256)	527.1950	(45.856)	(315.449)	(77.1931)

\* Date of Distribution

2022	
Date	Rate
NIL	

2021	
Date	Rate
NIL	

2020	
Date	Rate
June 29, 2020	0.8205

2019	
Date	Rate
NIL	

2018	
Date	Rate
NIL	

**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.

**PROXY ISSUED BY FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

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The Board of Directors of MCB - Arif Habib Savings and Investments Limited (the Management Company of Alhamra Islamic Asset Allocation Fund – ALHAA) has an overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on the Management Company's website ([www.mcbah.com](http://www.mcbah.com)).

During the financial year ended June 30, 2022, the Management Company on behalf of ALHAA participated in nine (9) shareholders' meetings. The Management Company did not participate in shareholders' meetings in the cases which did not meet the criteria reported in Paragraph No. 5 and 6 of the Proxy Voting Policy and Procedures. Summary of actual proxies voted during the financial year are as follows:

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Reason for Abstaining</b>
Number	28	28	0	0	-
(%ages)	100	100	0	0	-

Detailed information regarding actual proxies voted by the Management Company on behalf of ALHAA will be provided without any charges on request of unit holders.

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

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