



MCB FUNDS
Investments for Life

ANNUAL REPORT 2023

Funds Under Management of
MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)



MCB PAKISTAN STOCK MARKET FUND

Note - Change in Name

The name of the Company was previously **MCB-Arif Habib Savings and Investments Limited**, which has been changed to **MCB Investment Management Limited**. On May 02, 2023, the Board of Directors of the Company resolved to change the name of the Company to **MCB Investment Management Limited**, pursuant to which an Extra-Ordinary General Meeting (EOGM) of the Shareholders was convened on July 7, 2023 and the Shareholders approved the new name of the Company by a special resolution. Thereafter, the Company applied to the Registrar of Companies, SECP, for approval of Change of Name under the provisions of the Companies Act, 2017, which was granted and a titled "**Certificate of Incorporation on Change of Name**" was issued by the Additional Registrar of Companies, Company Registration Office, SECP on August 15, 2023 and as such, the Change of Name became effective from that date.

نوٹ: نام کی تبدیلی

کمپنی کا سابق نام ایم سی بی عارف حبیب سیونگزا اینڈ انویسٹمنٹس لمیٹڈ تھا جو تبدیل کر کے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کر دیا گیا ہے۔ 02 مئی 2023ء کو کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کا نام ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کرنے کا فیصلہ کیا جس کے بعد 7 جولائی 2023ء کو ایک غیر معمولی عمومی اجلاس (ای او جی ایم) منعقد ہوا اور حاملین حصص نے خصوصی قرارداد کے ذریعے کمپنی کے نئے نام کی منظوری دی۔ بعد ازاں، کمپنی نے کمپنیز ایکٹ 2017ء کے تحت رجسٹر آف کمپنیز، ایس ای سی پی، کی منظوری کے لیے درخواست دائر کی جو منظور کر لی گئی اور 15 اگست 2023ء کو ایڈیشنل رجسٹر آف کمپنیز، کمپنیز رجسٹریشن آفس، ایس ای سی پی، کی طرف سے سرٹیفکیٹ بعنوان "سرٹیفکیٹ آف انکارپوریشن آن چینج آف نیم" جاری کیا گیا۔ چنانچہ نام کی تبدیلی مذکورہ تاریخ سے مؤثر ہو گئی ہے۔

TABLE OF CONTENTS

1	Fund's Information	326
2	Report of the Director of the Management Company	327
3	Report of the Fund Manager	341
4	Trustee Report to the Unit Holders	343
5	Independent Auditor's Report to the Unit Holders	344
6	Statement of Assets and Liabilities	348
7	Income Statement	349
8	Statement of Other Comprehensive Income	350
9	Statement of Movement in Unit Holder's Fund	351
10	Cash Flow Statement	352
11	Notes to and Forming Part of the Financial Statements	353
12	Pattern of Units Holding by Size	378
13	Performance Table	379
14	Proxy issued by fund	380

FUND'S INFORMATION

Management Company	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. 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	
Bankers	MCB Bank Limited Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited	Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan The Bank of Khyber
Auditors	Ernt & Young Ford Rhodes & Co. Chartered Accountant Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

*Note: On May 02, 2023, the Board of Directors resolved to change the name of the Company, pursuant to which on July 7, 2023 in Extra-Ordinary General Meeting (EOGM) the Shareholders approved the new name of the Company i.e. **MCB Investment Management Limited**. Thereafter, the Company applied to SECP, for approval of Change of Name, which was granted on August 15, 2023 and as such, the Change of Name became effective from that date.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Stock Market Fund** accounts review for the year ended June 30, 2023.

ECONOMY AND MONEY MARKET REVIEW

The fiscal year 2023 (FY23) remained a difficult year for Pakistan as it faced multiple macroeconomic challenges. The 2022 monsoon floods caused significant damage to infrastructure, crops, and livestock, as well as loss of precious lives. The global commodity prices and currency devaluation ushered a wave of inflation never seen since 1974, leading to all time high interest rates. The IMF program remained elusive throughout the latter half of fiscal year which became extremely challenging for the government facing both political and economic difficulties.

The country's external position remained precarious with SBP's foreign exchange reserves declining to USD 4.5 billion as of 30 Jun 23 (mere import cover of 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Albeit with some delay and reluctance, the government took several politically unpopular steps such as raising energy tariffs, letting PKR depreciate, slapping additional taxes and raising interest rates as per IMF's demands. However, IMF's Staff Level Agreement (SLA) of IMF 9th review eluded throughout the year as the IMF and government were unable to reach a consensus. The delay in the IMF program led to a slowdown in foreign flows from bilateral and multilateral partners leading to erosion in reserves. As a result, the currency remained under severe pressure, with dollar appreciating by 40% in FY23 to close at 286.0 near to its all-time high level.

The country posted a current account deficit (CAD) of USD 2.9 billion in first eleven months of the fiscal year 2023 (11MFY23) declining by 81% YoY compared to a deficit of USD 15.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 12.2% decrease in exports coupled with a 23.9% drop in imports led to a 33.8% contraction in the trade deficit. The government kept a lid on imports through administrative measures by imposing import quotas on selective imports. However, these steps led to an increase in smuggling activity which diverted remittances towards grey channels. Furthermore, the tight leash on imports caused shortages across various industries impacted overall economic growth.

Headline inflation represented by CPI averaged 29.0% during FY23 compared to 12.1% in the corresponding period last year. Higher food prices coupled with rising electricity, gas and petroleum prices were the major contributors towards the jump in CPI. The inflationary pressures were broad based, which is depicted by core inflation increasing to 21.2% compared to 12.3% at the end of last fiscal year. SBP has increased interest rates by 1.0% to 22% in an emergent MPS in Jun-23 to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations.

The country's provisional GDP growth clocked at 0.29% in FY23 with Agricultural and Services sector increasing by 1.6% and 0.9%, respectively, while industrial sector witnessed a drop of 2.9%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 16.4% in FY23 to PKR 7,154 billion compared to PKR 6,149 billion in the same period last year but missed the target by PKR 486 billion.

Secondary markets yields increased in FY23 on account of monetary tightening and bout of inflationary pressures post a massive currency devaluation. The 3,6 and 12 Month T-Bills yield increased by 767, 772 and 763 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 602, 315 and 240bps respectively during FY23.

EQUITY MARKET REVIEW

The KSE-100 index closed on flattish note, declining by 88 points (-0.2%) in FY23 to close at 41,543 points. The initial exuberance on the account of the resumption of the IMF program and support from

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation, depleting SBP Reserves, and the highest ever interest rates of 22.0%, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review of the IMF Program amid political turbulence in the country further dented investors' sentiments. Nonetheless, by the end of the year, the GoP reassessed its position and made necessary macro adjustments to realign itself with the IMF requirements which restored some confidence back into investors and helped recover mid-year losses.

Major selling during the year was witnessed from Mutual Funds and Insurance companies, which off-loaded equities worth USD 144.5 million and USD 124.3 million, respectively. This was largely absorbed by Companies, Individuals, and Banks with net buying of USD 99.7 million, USD 83.9 million and USD 73.7 million, respectively. Foreign investors also turned net buyers with an inflow of USD 23.9 million. During the FY23, average daily trading volumes saw a decline of 34% to 192 million shares compared to about 291 million shares in FY22. Similarly, the average trading value during FY23 saw a drop of 54% over the same period last year to near USD 25 million.

Pharma, Miscellaneous, Auto Assemblers, and Refinery sectors were the major contributors to the index decline, taking away -561/-435/-310/-159 points, respectively. Pharma sector struggled with the risk of exchange losses amid depreciating PKR against USD posing risk to near-term earnings. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by the SBP. On the flip side, Power sector added 554 points to the index as a result of better than expected dividends.

FUND PERFORMANCE

During the period, PSM generated a return of -2.58% as compared to a return of -0.21% witnessed by the KSE-100 Index. Overall equity exposure stood at 91.6% on June 30, 2023. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cements and Textile. The Net Assets of the fund as at June 30, 2023 stood at Rs. 4,821 million as compared to Rs. 8,875 million as at June 30, 2022 registering a decrease of 45.68%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 84.2678 as compared to opening NAV of Rs. 86.5039 per unit as at June 30, 2022 registering a decrease of 2.2361 per unit.

ECONOMY & MARKET – FUTURE OUTLOOK

International Monetary Fund (IMF) and Pakistan have struck a staff-level agreement for the provision of USD 3 billion in bailout funds under a stand-by arrangement (SBA). The program is set to span nine months, and the IMF board approval of the SBA will unlock an immediate disbursement of USD 1.2bn, with the remaining USD 1.8bn scheduled after reviews in Nov-23 and Feb-24.

The new program comes at a critical time when Pakistan is grappling with a severe balance of payments crisis. The successful resumption of the IMF program will help Pakistan to unlock funding from bilateral and multilateral sources helping in rebuilding foreign exchange reserves. Saudi Arabia and UAE have already pledged USD 2bn and USD 1bn respectively which were contingent on the resumption of IMF program, out of which USD 2 billion from KSA has already been received in July 2023. China is also expected to provide USD 2.0 billion with the Chinese commercial banks providing additional USD 1.5 billion. In addition, the IMF program will also help Pakistan to access concessionary financing from World Bank and other multilateral agencies. This has averted the risk of near term default and we expect currency to remain stable in the near term.

We expect Average FY24 inflation to ease to 19.3% compared to 29.0% in FY23 as the base effect will come into play. Inflation is expected to follow a downward trajectory and the buildup of forex reserves during the period may allow a monetary easing cycle in the quarter ending Dec-23. We expect a cumulative easing of around 6% in the next 12 months, however, its pace and timing would be determined by trend in FX reserves.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 7.5%, a discount of 62% from its historical average of 19.7%. Similarly, Earning Yield minus Risk Free Rate is close to 6.0%, compared to the historical average of 2.7% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks 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 11.8%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual funds industry increased by about 28.9% during FY23 to PKR 1,564 billion. Total money market funds grew by about 34.4% since June 2022. Within the money market sphere, conventional funds showed a growth of 6.1% to PKR 473 billion while Islamic funds increased by 90.4% to PKR 429 billion. In addition, the total fixed Income funds increased by about 23.7% since June 2022 to PKR 369 billion. Equity and related funds declined by 27% to PKR 168 billion as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 57.7%, followed by Income funds with 23.6% and Equity and Equity related funds having a share of 10.7% as at the end of FY23.

MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

MANAGEMENT COMPANY

The fund is managed by MCB Arif Habib Savings & Investments Limited which is the subsidiary of MCB Bank Limited. On April 18, 2023, MCB Bank Limited (MCB) has acquired 21,664,167 (30.09%) shares from Arif Habib Corporation Limited (AHCL) resulting an increase in shareholding from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH.

Consequently, the members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 07, 2023 have resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited and a formal request for change of name has been forwarded to the Securities and Exchange Commission of Pakistan (SECP) for its approval.

CORPORATE GOVERNANCE

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

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

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. Shoaib Mumtaz	Non-Executive Director	HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	Audit Committee; and HR&R* Committee.
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	Audit Committee (Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee
8.	Mr. Muhammad Saqib Saleem	Executive Director	HR&R* Committee

* HR&R stands for Human Resource and Remuneration

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

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the 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 as stated in the notes to the financial statements have been consistently applied in 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 significant doubts upon the fund's ability to continue as going concern;
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

- h. The outstanding taxes, statutory charges and duties, if any, have been fully disclosed in the audited 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, 2023, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code;
- k. The detailed pattern of shareholding as on June 30, 2023 is annexed;
- 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, 2023:

1. Meeting of the Audit Committee.

During the year, eight (8) 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)*	8	8	8	-
2. Mr. Nasim Beg*	8	8	7	1
3. Mr. Ahmed Jahangir	8	8	8	-
4. Mr. Kashif A. Habib*	8	8	6	2
5. Syed Savail Meekal Hussain	8	8	5	3

* Resigned on May 02, 2023.

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	5	-
3. Mr. Nasim Beg*	5	5	5	-
4. Ms. Mavra Adil Khan	5	5	2	3
5. Syed Savail Meekal Hussain	5	5	5	-
6. Mr. Muhammad Saqib Saleem (CEO)	5	5	5	-

5

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

* Resigned on May 02, 2023.

- 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 Saqib Saleem	Chief Executive Officer	33.04	-	-
2.	Mobin Ahmed Siddiqui	Chief Internal Auditor	-	4,989.46	-

EXTERNAL AUDITORS

The Fund's external auditor's **M/s. Ernst & Young Ford Rhodes & Co. Chartered Accountants** have retired after completion of audit for Financial Year ended June 30, 2023. The Audit Committee has recommended appointment of **M/s. A.F Ferguson & Co. Chartered Accountants** as external auditors of the Fund for financial year ending June 30, 2024 and the Board has also endorsed the recommendation of the Audit Committee. **M/s. A.F Ferguson & Co. Chartered Accountants** has also expressed their willingness to act as the Fund's external auditors.

ACKNOWLEDGEMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
July 26, 2023



Manzar Mushtaq
Director

ڈائریکٹرز رپورٹ

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرانٹ اینڈ یگ فورڈ چارٹرڈ اکاؤنٹنٹس 30 جون 2023 کو ختم ہونے والے مالی سال کا آڈٹ مکمل کرنے کے بعد ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو فنڈ کا خارجی آڈیٹر مقرر کرنے کی سفارش کی ہے اور بورڈ نے آڈٹ کمیٹی کی سفارشات کی بھی توثیق کی ہے۔ اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے خارجی آڈیٹرز کے طور پر کام کرنے پر آمادگی کا اظہار کیا ہے

اظہار تعلق

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا ان کے مسلسل تعاون اور حمایت کے لیے مشکور ہے۔ ڈائریکٹرز انتظامی ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز،

Manzar Mushtaq

منظر مشتاق
ڈائریکٹر

Muhammad Saleem

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
26 جولائی 2023ء

ڈائریکٹرز رپورٹ

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ رخصت	حاضری	مطلوبہ حاضری		
-	8	8	8	۱۔ مرزا محمد قریب (چیئر مین)*
1	7	8	8	۲۔ جناب نسیم بیگ *
-	8	8	8	۳۔ جناب احمد جہانگیر
2	6	8	8	۴۔ جناب کاشف اے صبیب *
3	5	3	8	۵۔ سید ساویل میکال حسین

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

2. ہیومن ریسورس اینڈ میوزیشن کمیٹی کی میٹنگ

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

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

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

n. دوران سال مینجمنٹ کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانسئل آفیسر، کمپنی سیکرٹری، اور چیف انٹرنل آڈیٹر اور ان کے شریک حیات اور نابالغ بچوں نے فنڈ کے یونٹس کی خرید و فروخت کی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
1.	محمد ثاقب سلیم	چیف ایگزیکٹو آفیسر	33.04	-	(یونٹس کی تعداد)
2.	مبین احمد صدیقی	چیف انٹرنل آڈیٹر	-	4989.46	-

ڈائریکٹرز رپورٹ

انتظامیہ بہترین طریقوں کے حوالے سے کارپوریٹ گورننس کے ضابطہء اخلاق کی دفعات کی بدستور تعمیل کر رہی ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے عزم پر قائم ہے جن میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی وضاحت کی گئی ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے 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. فنڈ کی درست ہیکس آف اکاؤنٹس تیار کی 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 بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی - جس حد تک ان کا پاکستان میں اطلاق ہوتا ہے، Non کمپنیز (اسٹیلشمنٹ اینڈ ریگولیشنز) ڈولز 2003ء کی، Non بینکنگ فنانس کمپنیز اینڈ نیٹوائٹیفائیڈ انشورنس ریگولیشنز 2008ء کی، متعلقہ ٹرسٹ ڈیڈز کی ضروریات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛

e. انٹرنل کنٹرول یعنی اندرونی جانچ پڑتال 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. لسٹنگ ریگولیشنز میں واضح کردہ کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛

h. واجب الاداء ٹیکس، قانونی چارجز اور ڈیویڈنڈ کو (اگر کوئی ہے تو) آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے؛

i. پراویڈنٹ ایگریجیوٹی اور پینشن فنڈ کی قدر کے اسٹیمینٹ کا اطلاق فنڈ پر نہیں ہوتا لیکن مینجمنٹ کمپنی پر ہوتا ہے، چنانچہ ڈائریکٹرز رپورٹ میں کوئی اظہار نہیں کیا گیا ہے؛

j. 30 جون 2023ء کو کمپنی، کوڈ کے ریگولیشن نمبر 20 کے مطابق، ڈائریکٹرز ٹریننگ پروگرام کی شرائط پر تعمیل پیرا ہے؛

k. 30 جون 2023ء کو حصص یافتگی کا تفصیلی خاکہ ملحق ہے؛

l. بورڈ کی اپنی، بورڈ کے ارکان کی اور بورڈ کی کمیٹیوں کی سالانہ جانچ کے لیے ایک باقاعدہ رسمی اور موثر نظام نافذ کیا گیا ہے؛

m. بورڈ آف ڈائریکٹرز کی میٹنگ کی حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ ذیل میں سال مستحکم 30 جون 2023ء کے دوران ہونے والی کمیٹی میٹنگز کی تفصیلات درج ہیں:

1. آڈٹ کمیٹی کی میٹنگ

دوران سال آڈٹ کمیٹی کی آٹھ (8) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

ڈائریکٹرز رپورٹ

مینجمنٹ کمپنی

فنڈ کا انتظام ایم سی بی عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) نے سنبھالا ہوا ہے جو ایم سی بی بینک لمیٹڈ (ایم سی بی) کی سبڈری ہے۔ 18 اپریل 2023ء کو ایم سی بی نے عارف حبیب کارپوریشن لمیٹڈ (اے ایچ سی ایل) سے 21,664,167 (30.09 فیصد) حصص خرید لیے جس کے نتیجے میں حصص یافتگی 36,957,768 (51.33 فیصد) سے بڑھ کر 58,620,935 (81.42 فیصد) ہو گئی اور اے ایچ سی ایل اب ایم سی بی-اے ایچ میں حصص کا حامل نہیں۔

چنانچہ کمپنی کے ارکان نے غیر معمولی عمومی اجلاس (ای او جی ایم) مورخہ 07 جولائی 2023ء میں خصوصی قرارداد کے ذریعے فیصلہ کیا ہے کہ کمپنی کا نام ایم سی بی عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ سے تبدیل کر کے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کر دیا جائے، اور تبدیلیء نام کی رسمی درخواست سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کو منظوری کے لیے بھیج دی گئی ہے۔

کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار نافذ کرنے کے لئے پُر عزم ہے۔ بورڈ آف ڈائریکٹرز (8 ارکان پر مشتمل ہے بشمول چیف ایگزیکٹو ڈائریکٹر (CEO) اور اس میں اصناف اور معلومات کا متنوع امتزاج موجود ہے۔ بورڈ 1 خاتون اور 7 حضرات ڈائریکٹرز پر مشتمل ہے جن کو مندرجہ ذیل زمروں میں تقسیم کیا گیا ہے:

* چار (4) غیر ایگزیکٹو ڈائریکٹرز

* تین (3) خود مختار ڈائریکٹرز

* ایک (1) ایگزیکٹو ڈائریکٹر (CEO)

مندرجہ بالا کی تفصیلات درج ذیل ہیں:

نمبر شمار	نام	عہدہ	دیگر بورڈ کمیٹیوں میں رکنیت
1.	جناب ہارون رشید	غیر ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب شعیب ممتاز	غیر ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی
3.	جناب احمد جہانگیر	غیر ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی اور ایچ آر اینڈ آر * کمیٹی
4.	جناب منظر مشتاق	غیر ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	جناب سید ساویل میکان حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئر مین)
6.	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی (چیئر مین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی
8.	جناب محمد ثاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی

* ایچ آر اینڈ آر کا مطلب ہے ہیومن ریسورس اینڈ ریوژنیشن

ڈائریکٹرز رپورٹ

کیپٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.5 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.7 فیصد سے 62 فیصد کی ہے۔ اسی طرح Earning Yield (آمدنی کی پیداوار) میں سے Risk Free Rate (خطرے سے محفوظ شرح) منہا کرنے پر تقریباً 6.0 فیصد بنتا ہے، اور قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر اس بھرپور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد سے فائدہ اٹھانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.7x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 11.8 فیصد پر ہے۔

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

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات دوران مالی سال 2023 تقریباً 28.9 فیصد بڑھ کر 1,564 بلین روپے ہو گئے۔ Money مارکیٹ کے مجموعی فنڈز میں جون 2022ء سے اب تک تقریباً 34.4 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 6.1 فیصد بڑھ کر 473 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 90.4 فیصد بڑھ کر 429 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم کے مجموعی فنڈز جون 2022ء سے اب تک تقریباً 23.7 فیصد بڑھ کر 369 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 27 فیصد کم ہو کر 168 بلین روپے ہو گئے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کے اختتام پر Money مارکیٹ فنڈز تقریباً 57.7 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 23.6 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈز تھے جن کا 10.7 فیصد حصہ تھا۔

میوچل فنڈ صنعت کی مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں زیادہ آمد و رفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم آئی ایم ایف معاہدے کے بعد خارجی خدشات کم ہو گئے ہیں اور طویل المیعاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریٹنگز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

ڈائریکٹرز رپورٹ

کے تناظر میں زرمبادلہ کے خساروں کا تھا جس سے قریب المیعا سرمایہ کاریوں کو خطرہ لاحق ہو گیا تھا۔ آٹوموبیل اسمبلرز SBP کی عائد کردہ پابندیوں کے نتیجے میں پست حُجْم ماتی فروخت کی وجہ سے پریشانی کا شکار رہے۔ دوسری جانب توانائی کے شعبے نے متوقع سے بہتر ڈیویڈنڈز کی بدولت انڈیکس میں 554 پوائنٹس کا اضافہ کیا۔

فنڈ کی کارکردگی

دوران مدت فنڈ کا منافع 2.58- فیصد تھا، بالمتقابل KSE-100 کے جو 0.21 فیصد منافع تھا۔ 30 جون 2023ء کو ایکویٹیز میں فنڈ کی سرمایہ کاری 91.6 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے متوجہ رہا اور بنیادی نوعیت کی ترقیاتی تبدیلیوں کو مد نظر رکھتے ہوئے سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں، سیمنٹ اور ٹیکسٹائل کے شعبوں میں تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 4,821 ملین روپے تھے، جو 30 جون 2022ء کی سطح 8,875 ملین روپے کے مقابلے میں 45.68 فیصد کمی ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی پونٹ 84.2678 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی فی پونٹ 86.5039 روپے کے مقابلے میں 2.2361 روپے فی پونٹ کی کمی ہے۔

معیشت اور بازار - مستقبل کا منظر نامہ

انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) اور پاکستان کے درمیان ایک اسٹاف لیول معاہدہ طے پایا ہے جس کے مطابق ایک اسٹینڈ بائی اگریمنٹ (SBA) کے تحت 3 بلین ڈالر فراہم کیے جائیں گے۔ یہ پروگرام نومبر پر محیط ہے، اور آئی ایم ایف کی طرف سے SBA کی منظوری سے 1.2 بلین ڈالر فوری طور پر فراہم کر دیئے جائیں گے، جبکہ بقیہ 1.8 بلین ڈالر کی فراہمی نومبر 2023ء اور فروری 2024ء میں جائزوں کے بعد طے کی گئی ہے۔ یہ پروگرام ایک اہم موڑ پر طے پایا ہے جب پاکستان ادا بیگیوں کے توازن کے سنگین بحران سے نبرد آزما ہے۔ آئی ایم ایف پروگرام کی کامیاب بحالی سے پاکستان کو باہمی اور کثیر الجہتی ذرائع سے رقم کے حصول میں مدد ملے گی جس کی بدولت زرمبادلہ کے ذخائر بھی بحال ہوں گے۔ سعودی عرب نے 2 بلین ڈالر اور متحدہ عرب امارات نے 1 بلین ڈالر فراہم کرنے کا وعدہ کیا تھا جو آئی ایم ایف پروگرام کی بحالی پر مشروط تھا۔ اس میں سے سعودی عرب کی طرف سے 2 بلین ڈالر جولائی 2023ء میں موصول ہو چکے ہیں۔ چین کی طرف سے بھی 2.0 بلین ڈالر، اور چینی کمرشل بینکوں کی طرف سے اضافی 1.5 بلین ڈالر کی فراہمی متوقع ہے۔ مزید برآں، آئی ایم ایف پروگرام کی بحالی سے پاکستان کو ورلڈ بینک اور دیگر کثیر الجہتی ایجنسیوں سے رعایتی شرائط پر رقم کے حصول میں بھی مدد ملے گی۔ اس سے مستقبل قریب میں ڈیفالٹ کا خطرہ ٹل گیا ہے، اور ہمیں اُمید ہے کہ قریب المیعا میں روپے کی قدر مستحکم رہے گی۔

مالی سال 2024ء کی اوسط مہنگائی میں مالی سال 2023ء میں 29.0 فیصد کے مقابلے میں 19.3 فیصد کمی متوقع ہے کیونکہ base effect اپنا کردار ادا کرے گا۔ مہنگائی میں بتدریج کمی متوقع ہے، اور دوران مدت زرمبادلہ کے ذخائر میں اضافے کی بدولت دسمبر 2023ء کو ختم ہونے والی سہ ماہی میں مالیاتی تسہیل کی گردش ممکن ہو سکتی ہے۔ مجموعی طور پر اگلے بارہ ماہ میں تقریباً 6 فیصد تسہیل متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

ڈائریکٹرز رپورٹ

میں سود کی شرحوں کو 1.0 فیصد بڑھا کر 22 فیصد کر دیا تاکہ سود کی حقیقی شرح کو ترقی پسند بنیاد پر مثبت علاقے میں لے جایا جائے اور مہنگائی کی توقعات پر قابو پایا جائے۔

عارضی مجموعی ملکی پیداوار (GDP) میں مالی سال 2023ء میں 0.29 فیصد ترقی ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 2.9 فیصد کمی ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمداتی پابندیاں صنعتی ماحصل میں کمی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس حصولی مالی سال 2023ء میں 16.4 فیصد بڑھ کر 7,154 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 6,149 بلین روپے، لیکن 486 بلین روپے کے ہدف تک نہ پہنچ سکی۔

ٹانومی مارکیٹوں کی پیداوار میں مالی سال 2023ء میں اضافہ ہوا جس کے اسباب مالیاتی سختی اور روپے کی قدر میں خطیر کمی کے بعد مہنگائی کے دباؤ کی نئی لہر ہیں۔ 3، 6 اور 12 ماہانہ ٹی۔ ہلنز کے منافع جات میں بالترتیب 767، 772 اور 763 بیسیس پوائنٹس (بی پی ایس)، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 602، 315 اور 240 بی پی ایس کا اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج (KSE)-100 انڈیکس مالی سال 2023ء کے دوران 88 پوائنٹس (-0.2 فیصد) کم ہو کر 41,543 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک سے معاونت کی بدولت پیدا ہونے والا ابتدائی جوش و خروش جلد ہی تباہ ٹکسن سیلابوں میں بہ گیا جس کے باعث پہلے سے کمزور معیشت مزید ابتری کا شکار ہو گئی۔ زیر جائزہ مدت کے دوران مہنگائی بلند بلند پر رہی، اسٹیٹ بینک آف پاکستان (SBP) کے ذخائر میں کمی آئی، اور سود کی شرح عروج پر 22 فیصد رہی، جس کے باعث سرمایہ کار مایوسی کا شکار رہے۔ علاوہ ازیں، ملک میں سیاسی افراتفری کے تناظر میں آئی ایم ایف پروگرام کے نوٹس جائزے کی تکمیل میں مسلسل تاخیر سے سرمایہ کاروں کی مزید حوصلہ شکنی ہوئی۔ بہر حال سال کے اختتام تک حکومت پاکستان نے اپنی صورتحال کا دوبارہ جائزہ لیا اور آئی ایم ایف پروگرام کے ساتھ ہم آہنگ ہونے کے لیے مجموعی سطح کی ترامیم کیں جس کی بدولت سرمایہ کاروں کا اعتماد کچھ حد تک بحال ہوا اور وسط سال کے خساروں کی تلافی کرنے میں مدد ملی۔

دوران سال زیادہ تر فروخت میوچل فنڈز اور بیمہ کمپنیوں کی طرف سے ہوئیں جو بالترتیب 144.5 ملین ڈالر اور 124.3 ملین ڈالر مالیت کی تھیں۔ سب سے بڑے خریدار کمپنیز، افراد اور بینک تھے جنہوں نے بالترتیب 99.7 ملین ڈالر، 83.9 ملین ڈالر اور 73.7 ملین ڈالر مالیت کی ایکویٹیز خریدیں۔ غیر ملکی سرمایہ کار بھی net خریدار بن گئے اور 23.9 ملین ڈالر لانے کا سبب بنے۔ دوران مالی سال 2023ء اوسط یومیہ تجارتی حجم 34 فیصد کم ہو کر 192 ملین حصص ہو گئے، بالمقابل مالی سال 2022ء کے جب یہ اوسط تقریباً 291 ملین حصص تھا۔ اسی طرح دوران مالی سال 2023ء اوسط یومیہ تجارتی قدر سال گزشتہ کے مقابلے میں 54 فیصد کم ہو کر 25 ملین ڈالر رہ گئی۔

انڈیکس کی گراوٹ میں سب سے بڑا ہاتھ دواساز، دیگر، آٹو اسمبلرز، اور ریفاٹری کے شعبوں کا تھا جو بالترتیب -561، -435، -310 اور -159 پوائنٹس کمی کا سبب بنے۔ دواسازی کے شعبے کو درپیش سب سے بڑا مسئلہ روپے کی قدر میں ڈالر کے مقابلے میں کمی

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سال مُختتمہ 30 جون 2023ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2023ء پاکستان کے لیے مشکل سال تھا کیونکہ متعدد مجموعی معاشی مسائل درپیش رہے۔ 2022ء کے مون سون سیلابوں نے بنیادی ساخت، فصلوں اور موسمیاتیوں کو بہت نقصان پہنچایا اور قیمتی جانیں بھی ضائع ہوئیں۔ عالمی سطح پر ایشیاء کی قیمتوں میں اضافے اور کرنسی کی قدر میں کمی کے باعث مہنگائی کی ایسی لہر آئی جو 1974ء کے بعد سب سے بڑی تھی اور اس کے نتیجے میں سوڈ کی شرحیں بلند ترین سطح پر پہنچ گئیں۔ آئی ایم ایف پروگرام کا آغاز مالی سال کے نصف آخر کے دوران غیر یقینی رہا جس کے باعث سیاسی اور معاشی مسائل سے دوچار حکومت کے لیے سنگین مشکلات پیدا ہو گئیں۔

ملک کی خارجی صورتحال غیر یقینی رہی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 30 جون 2023ء کو 4.5 بلین ڈالر رہ گئے (جو صرف 3 ہفتوں کا درآمداتی cover ہے) جبکہ مالی سال کے آغاز میں 9.8 بلین ڈالر تھے۔

حکومت نے متعدد سیاسی ناپسندیدہ اقدامات اٹھائے، اگرچہ کچھ تاخیر اور ہچکچاہٹ کے ساتھ، مثلاً بجلی اور گیس کی قیمتوں میں اضافہ کیا، روپے کی قدر میں کمی ہونے دی، اضافی ٹیکس عائد کیے اور سوڈ کی شرحوں کو آئی ایم ایف کے مطالبات کے مطابق بڑھا دیا۔ تاہم آئی ایم ایف کے نوں (9th) جائزے کا اسٹاف لیول اگرینٹ (SLA) سال بھر غیر یقینی رہا کیونکہ آئی ایم ایف اور حکومت کے درمیان اتفاق نہیں ہو سکا۔ آئی ایم ایف پروگرام میں تاخیر کے باعث باہمی اور کثیرالجہتی شراکت داروں سے غیر ملکی آمدورفت میں سُستی آئی جس کے باعث ذخائر کم ہوئے۔ اس کے نتیجے میں روپیہ سنگین دباؤ کا شکار رہا اور مالی سال 2023ء میں ڈالر کی قدر 40 فیصد بڑھ کر 286.0 روپے ہو گئی جو اس کی بلند ترین سطح کے قریب ہے۔

ملک کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2023ء کے پہلے گیارہ ماہ میں 2.9 بلین ڈالر تھا، جبکہ گزشتہ سال مائل مدت میں 15.2 بلین ڈالر تھا، یعنی 81 فیصد سال در سال (YoY) کمی ہوئی۔ CAD میں کمی کی سب سے بڑی وجہ کاروباری خسارے میں کمی ہے۔ برآمدات میں 12.2 فیصد کمی اور درآمدات میں 23.9 فیصد کمی کی بدولت کاروباری خسارے میں 33.8 فیصد کمی ہوئی۔ حکومت نے منتخب درآمدات پر درآمداتی کوٹے عائد کر کے انتظامی اقدامات کے ذریعے درآمدات کو قابو میں رکھا۔ تاہم ان اقدامات سے غیر قانونی درآمدات (اسمگلنگ) میں اضافہ ہوا جس کے باعث ترسیلات زر مشتبہ ذرائع کی طرف مائل ہو گئیں۔ علاوہ ازیں، درآمدات پر مضبوط لگام کے نتیجے میں متعدد صنعتوں میں کمی واقع ہوئی اور مجموعی معاشی ترقی متاثر ہوئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفین کی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2023ء کے دوران 29.0 فیصد تھا جبکہ گزشتہ سال مائل مدت میں 12.1 فیصد تھا۔ ایشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ مہنگائی کے دباؤ وسیع پیمانے پر محیط تھے جس کا اظہار بنیادی مہنگائی میں 21.2 فیصد کمی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے جون 2023ء کی تازہ ترین MPS

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Fund Type and Category

Pakistan Stock Market Fund (PSM) is an Open-End Equity Scheme.

Fund Benchmark

The benchmark for PSM is KSE 100 Index.

Investment Objective

The objective of the fund is to provide investors long term capital appreciation from its investment in Pakistani equities

Investment Strategy

Pakistan Stock Market Fund (PSM) is an open end equity fund that invests in quality stocks listed in Pakistan. The fund is actively managed and fundamental research drives the investment process. 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. The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments/ placements.

Manager's Review

During the period, PSM generated a return of -2.58% as compared to a return of -0.21% witnessed by the KSE100 Index. Overall equity exposure stood at 91.6% on June 30, 2023, with major allocation in Cements, Commercial Banks and Textile Composite.

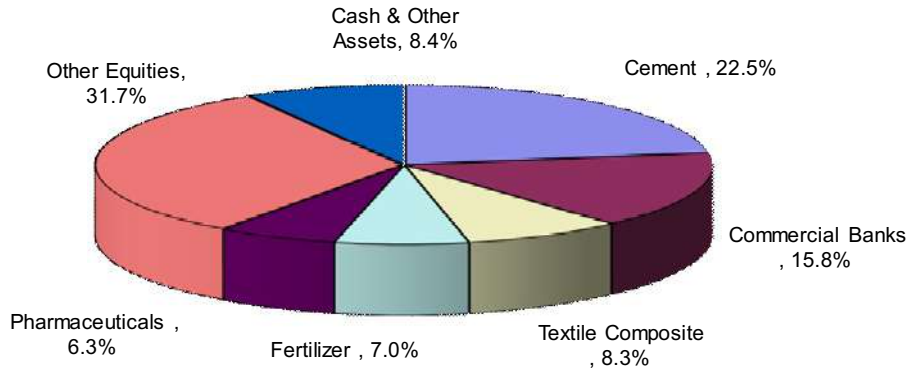
The Net Assets of the fund as at June 30, 2023 stood at Rs. 4,821 million as compared to Rs. 8,875 million as at June 30, 2022 registering an decrease of 45.7%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 84.2678 as compared to opening NAV of Rs. 86.5039 per unit as at June 30, 2022 registering an decrease of 2.2361 per unit.

Asset Allocation as on June 30, 2023 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-23
Stocks / Equities	91.6%
Cash	6.1%
T-Bills	0.0%
Others including receivables	2.3%

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Asset Allocation as on June 30, 2023 (% of total assets)



Awais Abdul Sattar, CFA
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 Shahra-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

MCB PAKISTAN STOCK MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 MCB Pakistan Stock Market Fund (the Fund) are of the opinion that MCB Investment Management Limited (Formerly 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, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT

To the Unit holders of MCB Pakistan Stock Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCB Pakistan Stock Market Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2023, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of equity instruments) held by the Fund represent 97.73% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following: <ul style="list-style-type: none">- We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2023 and reconciled it with the books and records of the Fund.- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 2 :-

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

Other Information

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 3 :-

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 4 :-

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 22 September 2023

Place: Karachi

UDIN Number: AR202310076pnZWbE12G

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	5 304,260	329,797
Investments	6 4,574,203	8,600,491
Receivable against sale of investments	90,141	148,458
Dividend and markup receivables	7 5,129	5,318
Advances, deposits and other receivables	8 18,294	18,409
Total assets	4,992,027	9,102,473
LIABILITIES		
Payable to the Management Company	9 27,228	48,463
Payable to the Trustee	10 556	920
Payable to the Securities and Exchange Commission of Pakistan	11 1,396	2,231
Payable against purchase of investments	70,351	100,314
Accrued expenses and other liabilities	12 71,383	74,827
Payable against redemption of units	386	386
Total liabilities	171,300	227,141
NET ASSETS	4,820,727	8,875,332
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	4,820,727	8,875,332
Contingencies and Commitments	13	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	57,207,222	102,600,400
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	84.2678	86.5039

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

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



Chief Executive Officer



Chief Financial Officer



Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
INCOME			
Financial income on:			
- Government securities - Market Treasury Bills		3,677	279
- Bank balances		44,342	34,500
Dividend income		536,451	676,789
Loss on sale of investments - net		(159,784)	(789,772)
Unrealised loss on re-measurement of investments classified as at fair value through profit or loss - net	6.1	(422,659)	(1,383,402)
Other income		344	156
Total Income / (loss)		2,371	(1,461,450)
EXPENSES			
Remuneration of the Management Company	9.1	139,616	220,935
Sindh Sales Tax on remuneration of the Management Company	9.2	18,150	28,722
Remuneration of the Trustee	10.1	7,981	12,155
Sindh Sales Tax on remuneration of the Trustee	10.2	1,037	1,580
Annual fee of the Securities and Exchange Commission of Pakistan	11	1,396	2,231
Allocated expenses	9.3	6,981	11,154
Selling and marketing expenses	9.4	90,750	145,009
Auditors' remuneration	14	1,300	1,120
Securities transaction cost		30,699	48,973
Settlement and bank charges		2,454	4,079
Legal and professional charges		174	52
Fees and subscriptions		28	28
Other charges		40	39
Total expenses		300,606	476,077
Net loss for the year from operations		(298,235)	(1,937,527)
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)		-	120,605
Net loss for the year before taxation		(298,235)	(1,816,922)
Taxation	15	-	-
Net loss for the year after taxation		(298,235)	(1,816,922)
Allocation of net income for the period			
Net loss for the year after taxation		-	-
(Loss) / income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
- relating to capital gains		-	-
- excluding capital gains		-	-

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

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



Chief Executive Officer



Chief Financial Officer



Director

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Net loss for the year after taxation	(298,235)	(1,816,922)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(298,235)	(1,816,922)

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

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



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023			June 30, 2022		
	Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income / (loss)	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the year	5,460,672	3,414,660	8,875,332	7,165,600	5,231,582	12,397,182
Issuance of 16,684,967 (2022: 49,113,002) units:						
- Capital value (at net asset value per unit at the beginning of the year) at Rs. 86.5039	1,443,322	-	1,443,322	5,089,551	-	5,089,551
- Element of loss	(33,229)	-	(33,229)	(231,312)	-	(231,312)
	<u>1,410,093</u>	<u>-</u>	<u>1,410,093</u>	<u>4,858,239</u>	<u>-</u>	<u>4,858,239</u>
Redemption of 62,078,145 (2022: 66,142,580) units:						
- Capital value (at net asset value per unit at the beginning of the year) at Rs. 86.5039	5,370,002	-	5,370,002	6,854,316	-	6,854,316
- Element of loss	(203,539)	-	(203,539)	(291,149)	-	(291,149)
	<u>5,166,463</u>	<u>-</u>	<u>5,166,463</u>	<u>6,563,167</u>	<u>-</u>	<u>6,563,167</u>
Total comprehensive loss for the year	-	(298,235)	(298,235)	-	(1,816,922)	(1,816,922)
Distributions during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(298,235)	(298,235)	-	(1,816,922)	(1,816,922)
Net assets as at the end of the year	<u><u>1,704,302</u></u>	<u><u>3,116,425</u></u>	<u><u>4,820,727</u></u>	<u><u>5,460,672</u></u>	<u><u>3,414,660</u></u>	<u><u>8,875,332</u></u>
Undistributed income / (loss) brought forward comprising of:						
- Realised		4,798,062			4,508,639	
- Unrealised		(1,383,402)			722,943	
		<u>3,414,660</u>			<u>5,231,582</u>	
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	<u>-</u>			<u>-</u>		
Net loss for the year after taxation		(298,235)			(1,816,922)	
Distribution during the year		-			-	
Undistributed income carried forward		<u><u>3,116,425</u></u>			<u><u>3,414,660</u></u>	
Undistributed income / (loss) carried forward:						
- Realised		3,539,084			4,798,062	
- Unrealised		(422,659)			(1,383,402)	
		<u><u>3,116,425</u></u>			<u><u>3,414,660</u></u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		<u><u>86.5039</u></u>			<u><u>103.6294</u></u>	
Net assets value per unit at end of the year		<u><u>84.2678</u></u>			<u><u>86.5039</u></u>	

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

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



Chief Executive Officer



Chief Financial Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss income for the year before taxation	(298,235)	(1,816,922)
Adjustments for non cash and other items:		
Financial income	(48,019)	(34,779)
Dividend income	(536,451)	(676,789)
Unrealised loss gain on re-measurement of investments classified as at fair value through profit or loss - net	6.1 422,659	1,383,402
Loss gain on sale of investments - net	159,784	789,772
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	-	(120,605)
	(300,262)	(475,921)
Decrease in assets		
Investments - net	3,443,845	1,282,531
Receivable against sale of investments	58,317	351,401
Advances, deposits and receivables	115	56,114
	3,502,277	1,690,046
Decrease in liabilities		
Payable to the Management Company	(21,235)	(15,154)
Payable to the Trustee	(364)	(338)
Payable to the Securities and Exchange Commission of Pakistan	(835)	(55)
Payable against purchase of investments	(29,963)	(76,176)
Accrued expenses and other liabilities	(3,443)	(7,334)
Payable against redemption of units	-	(68,754)
	(55,840)	(167,811)
Dividend received	537,834	690,983
Financial income received	46,824	32,096
Net cash generated from operating activities	3,730,833	1,769,393
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	1,410,093	4,858,239
Amount paid on redemption of units	(5,166,463)	(6,563,167)
Net cash outflow from financing activities	(3,756,370)	(1,704,928)
Net (decrease) / increase in cash and cash equivalents during the year	(25,537)	64,465
Cash and cash equivalents at the beginning of the year	329,797	265,332
Cash and cash equivalents at the end of the year	5 304,260	329,797

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

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB Pakistan Stock Market 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 on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

On April 18, 2023, MCB Bank Limited (MCB) has acquired 21,664,167 (30.09%) shares of MCB Arif Habib Savings & Investment Limited (MCB-AH) from Arif Habib Corporation Limited (AHCL). By virtue of this transaction MCB Bank Limited's shareholding in MCB-AH has increased from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH. The Board of Directors of the Management Company has passed a resolution in 188th BOD meeting held on May 2, 2023 for the change of name of the Management Company from "MCB-Arif Habib Savings and Investment Limited" to "MCB Investment Management Limited". The Securities and Exchange Commission of Pakistan has also given approval on the Memorandum of Association regarding the Change of Name. The Change of Name of the Management Company has also been approved in the Extra Ordinary General Meeting (EOGM) held on July, 07, 2023 by the Share Holders representing 89.01% Shareholding. After the conclusion of EOGM, the Management Company has applied to the registrar for the alteration in Memorandum and Article of Association and performing all the legal formalities incidental thereto.

1.3 The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.

1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2022 to the Management Company.

1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund. The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund.

2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

3. BASIS OF PREPARATION

3.1 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Initial application of standards, amendments and improvements to the approved accounting and reporting standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

Amendments and improvements to the approved accounting and reporting standards that became effective during the year

The Fund has adopted the following amendments and improvements to the approved accounting and reporting standards which became effective for the current year:

Amendments to approved accounting standards

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities
IFRS 16	Leases: Lease incentives
IAS 41	Agriculture - Taxation in fair value measurement

The adoption of the above amendments and improvements to the approved accounting and reporting standards did not have any material effect on these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

The following standards, amendments of IFRSs and improvements to accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current and Non-current Liabilities with Covenants - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

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

The Fund expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Fund's financial statements in the period of initial application.

4.3 Cash and cash equivalents

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

4.4 Investments

4.4.1 Classification

Business model assessment

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

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

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

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

Equity instruments

An equity instrument held for trading purposes is classified as measured at FVTPL.

Initial Measurement

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

Subsequent Measurement

Financial assets at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Impairment of financial assets

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

4.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

4.6 Financial liabilities

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

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

4.7 Offsetting of financial assets and liabilities

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

4.8 Provisions

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

4.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.10 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on 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.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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

4.11 Issue and redemption of units

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

4.12 Net asset value per unit

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

4.13 Revenue recognition

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

4.14 Expenses

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

4.15 Earnings / (loss) per unit

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

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
5. BALANCES WITH BANKS			
In current accounts	5.1	27,596	24,794
In savings accounts	5.2	276,664	305,003
		<u>304,260</u>	<u>329,797</u>

5.1 These include a balance of Rs.18.150 million (2022: Rs.15.348 million) maintained with MCB Bank Limited, a related party.

5.2 These carry profits at the rates ranging from 12.25% to 19.50% (2022: 5.50% to 17.05%) per annum and include Rs.216.352 (2022: Rs.231.477) million maintained with MCB Bank Limited, a related party which carries profit at the rate of 12.25% - 19.50% (2022: 5.50% - 12.25%) per annum.

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	4,574,203	8,600,490
Government securities - Market Treasury Bills	6.2	-	-
		<u>4,574,203</u>	<u>8,600,490</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

6.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Symbol	No. of shares				Balance as at June 30, 2023			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company	
		As at July 01, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value as at June 30, 2023			Unrealised gain / (loss)
Rupees in '000											
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	HCAR	55,100	140,000	-	195,100	-	-	-	-	-	
Indus Motor Company Limited	INDU	-	42,300	-	42,300	-	-	-	-	-	
Pak Suzuki Motor Company Limited	PSMC	25,373	40,000	-	65,373	-	-	-	-	-	
Automobile parts and accessories											
Agriauto Industries Limited*	AGIL	154,600	23,000	34,900	25,630	186,870	19,022	11,595	(7,427)	0.24%	
Atlas Battery Limited	ATBA	13,000	9,800	3,250	4,187	21,863	3,148	4,469	1,321	0.09%	
Ghandhara Tyre & Rubber Company Limited	GTYR	1,129,500	100,000	-	372,895	856,605	29,329	17,483	(11,846)	0.36%	
Thal Limited*	THALL	370,400	22,000	-	243,500	148,900	39,017	24,122	(14,895)	0.50%	
						1,214,238	90,516	57,669	(32,847)	1.19%	0.09%
Cable and electrical goods											
Pak Elektron Limited	PAEL	6,000,000	2,525,000	-	7,225,000	1,300,000	21,020	11,765	(9,255)	0.24%	
						1,300,000	21,020	11,765	(9,255)	0.24%	0.00%
Cement											
Bestway Cement Limited	BWCL	621,500	52,200	-	673,700	-	-	-	-	-	
Cherat Cement Company Limited	CHCC	1,035,187	1,388,094	-	2,077,053	346,228	34,381	41,644	7,263	0.86%	
D.G. Khan Cement Company Limited	DGKC	4,048,278	3,054,659	-	5,677,437	1,425,500	69,086	73,128	4,042	1.52%	
Fauji Cement Company Limited	FCCL	34,351,000	19,386,500	5,055,250	20,039,590	38,753,160	489,065	455,737	(33,328)	9.45%	
Gharbwal Cement Limited	GWLC	104,000	-	-	6,335	97,665	1,904	1,514	(390)	0.03%	
Kohat Cement Company Limited	KOHC	820,870	438,466	-	1,259,336	-	-	-	-	-	
Lucky Cement Limited	LUCK	795,392	692,363	-	1,032,755	455,000	199,275	237,551	38,276	4.93%	
Maple Leaf Cement Factory Limited	MLCF	6,848,546	22,377,987	-	18,132,008	11,094,525	270,701	314,308	43,607	6.52%	
Pioneer Cement Limited	PIOC	-	1,630,000	-	1,630,000	-	-	-	-	-	
						52,172,078	1,064,412	1,123,882	59,470	23.31%	0.16%
Chemicals											
Archroma Pakistan Limited	ARPL	32,250	59,350	-	9,113	82,487	39,857	38,769	(1,088)	0.80%	
Dyneema Pakistan Limited	DYNO	24,700	97,600	-	84,700	37,600	3,781	4,738	957	0.10%	
Nimiro Resins Limited	NRSL	860,000	126,500	-	986,500	-	-	-	-	-	
						120,087	43,638	43,507	(131)	0.90%	0.14%
Commercial banks											
Allied Bank Limited	ABL	-	200,000	-	200,000	-	-	-	-	-	
Bank Alfalah Limited	BAFL	7,227,192	8,376,921	-	11,584,317	4,019,796	127,152	122,363	(4,789)	2.54%	
Bank AL Habib Limited	BAHL	153,091	2,742,016	-	2,155,107	740,000	36,127	31,983	(4,144)	0.66%	
BankIslami Pakistan Limited	BIPL	5,845,000	5,678,000	-	11,523,000	-	-	-	-	-	
Faysal Bank Limited	FABL	8,554,000	1,256,703	-	9,810,703	-	-	-	-	-	
Habit Bank Limited	HBL	5,059,261	5,799,358	-	8,838,619	2,020,000	154,861	147,925	(6,936)	3.07%	
Habit Metropolitan Bank Limited	HMB	3,163,500	2,723,000	-	3,111,449	2,775,051	97,267	83,862	(13,405)	1.74%	
MCB Bank Limited	MCB	42,500	136,429	-	178,929	-	-	-	-	-	
Meezan Bank Limited	MEBL	6,218,543	2,591,318	599,256	7,399,285	2,009,832	202,879	173,589	(29,290)	3.60%	
United Bank Limited	UBL	3,773,488	1,612,454	-	3,439,775	1,946,167	220,783	228,752	7,969	4.75%	
						13,510,846	839,069	788,474	(50,595)	16.36%	0.06%
Engineering											
Agha Steel Ind. Ltd.	AGHA	937,000	438,500	-	1,375,500	-	-	-	-	-	
Aisha Steel Mills Limited	ASL	4,687,030	3,111,316	-	2,308,779	5,489,567	61,224	29,644	(31,580)	0.61%	
Amreli Steels Limited	ASTL	3,952,500	50,000	-	4,002,500	-	-	-	-	-	
International Industries Limited	INIL	500,000	-	-	500,000	-	-	-	-	-	
International Steels Limited	ISL	328,836	2,082,096	-	2,110,932	300,000	14,321	12,159	(2,162)	0.25%	
Mughal Iron & Steel Industries Limited	MUGHAL	1,112,255	2,430,981	-	1,857,127	1,686,109	93,485	81,675	(11,810)	1.69%	
						7,475,676	169,030	123,478	(45,552)	2.55%	0.03%
Fertilizer											
Engro Corporation Limited	ENGRO	444,000	1,464,571	-	1,463,470	445,101	116,974	115,677	(1,297)	2.40%	
Engro Fertilizers Limited	EFERT	2,666,848	719,217	-	2,560,147	825,918	71,527	68,163	(3,364)	1.41%	
Fauji Fertilizer Bin Qasim Limited	FFBL	7,802,500	10,329,000	-	4,102,476	14,029,024	199,755	165,262	(34,493)	3.43%	
						15,300,043	388,256	349,102	(39,154)	7.24%	0.04%
Food and personal care products											
At-Tahur Limited	PREMA	1,490,000	1,221,500	236,150	460,736	2,486,914	45,090	40,935	(4,155)	0.85%	
Murree Brewery Company Limited	MUREB	187,450	-	-	26,689	160,761	65,107	46,621	(18,486)	0.97%	
National Foods Limited	NATF	-	1,888,900	-	710,900	1,178,000	104,734	115,915	11,181	2.40%	
Nestle Pakistan Limited	NESTLE	833	-	-	833	-	-	-	-	-	
The Organic Meat Company Limited	TOMCL	2,600,000	1,340,500	280,848	3,840,830	380,518	7,572	7,907	335	0.16%	
						4,206,193	222,503	211,378	(11,125)	4.38%	0.24%
Glass and ceramics											
Shabbir Tiles & Ceramics Limited*	STCL	1,917,500	2,106,000	-	339,592	3,683,908	53,387	30,650	(22,737)	0.64%	
Tariq Glass Industries Limited	TGL	700,000	125,863	-	800,000	25,863	1,850	1,761	(89)	0.04%	
						3,709,771	55,237	32,411	(22,826)	0.68%	0.01%
Insurance											
Adamjee Life Assurance Company Limited	ALIFE	375,104	5,000	-	279,000	101,104	2,276	1,394	(882)	0.03%	
IGI Holdings Limited	IGIHL	-	71,100	-	45,000	26,100	2,401	2,193	(208)	0.05%	
Jubilee Life Insurance Company Limited	JLICL	170,800	1,000	-	171,800	-	-	-	-	-	
						127,204	4,677	3,587	(1,090)	0.08%	0.00%
Leather and tanneries											
Bata Pakistan Limited	BATA	26,200	800	-	17,275	9,725	22,689	17,352	(5,337)	0.36%	
Service Industries Limited	SRVI	-	29,100	-	29,100	-	-	-	-	-	
						9,725	22,689	17,352	(5,337)	0.36%	0.23%
Miscellaneous											
Shifa International Hospitals Limited	SHFA	1,412,960	326,500	-	301,368	1,438,092	243,658	176,152	(67,506)	3.65%	
Synthetic Products Enterprises Limited	SPEL	1,358,000	1,150,500	-	469,383	2,039,117	25,306	21,207	(4,099)	0.44%	
						3,477,209	268,964	197,359	(71,605)	4.09%	0.29%
Oil and gas exploration companies											
Mari Petroleum Company Limited	MARI	375,133	79,471	-	308,920	145,684	238,482	220,659	(17,823)	4.58%	
Oil & Gas Development Company Limited	OGDC	1,885,297	5,955,000	-	6,928,632	911,665	80,848	71,110	(9,738)	1.48%	
Pakistan Oilfields Limited	POL	244,199	223,867	-	423,066	45,000	18,066	18,080	14	0.38%	
Pakistan Petroleum Limited	PPL	1,557,050	3,924,430	-	5,481,480	-	-	-	-	-	
						1,102,349	337,396	309,849	(27,547)	6.44%	0.17%
Oil and gas marketing companies											
Attock Petroleum Limited	APL	50,000	-	-	50,000	-	-	-	-	-	
Hi-Tech Lubricants Limited	HTL	947,000	2,575,500	-	2,205,877	1,316,623	50,517	27,952	(22,565)	0.58%	
Pakistan State Oil Company Limited	PSO	-	250,000	-	244,105	5,895	665	654	(11)	0.01%	
Shell Pakistan Limited	SHEL	-	318,900	-	318,900	-	-	-	-	-	
Sui Northern Gas Pipelines Limited	SNGP	-	602,150	-	602,150	-	-	-	-	-	
						1,322,518	51,182	28,606	(22,576)	0.59%	0.02%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Name of the investee company	Symbol	No. of shares				Balance as at June 30, 2023				Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
		As at July 01, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value as at June 30, 2023	Unrealised gain / (loss)		
Rupees in '000											
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Paper and board											
Century Paper & Board Mills Limited	CEPB	713,500	400,000	187,590	1,096,500	204,590	4,779	5,778	999	0.12%	0.00%
Cherat Packaging Limited	CPPL	44,600	-	3,573	48,170	3	-	-	-	-	-
Packages Limited	PKGS	576,700	53,100	-	362,784	267,016	106,478	103,853	(2,625)	2.15%	0.12%
Security Papers Limited	SEPL	591,200	155,700	-	122,899	624,001	71,180	58,032	(13,148)	1.20%	0.10%
						1,095,610	182,437	167,663	(14,774)	3.47%	0.22%
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	ABOT	-	49,700	-	35,000	14,700	5,883	5,439	(444)	0.11%	0.01%
AGP Limited	AGP	729,182	1,109,452	-	1,332,916	505,718	36,444	28,563	(7,881)	0.59%	0.01%
Citi Pharma Ltd.	CPHL	4,500,000	2,744,718	-	4,157,344	3,087,374	93,954	65,885	(28,069)	1.37%	0.03%
Ferozsons Laboratories Limited	FEROZ	30,000	281,200	34,220	51,191	294,229	57,790	40,265	(17,525)	0.84%	0.09%
GlaxoSmithKline Pakistan Limited	GLAXO	-	100,000	-	100,000	-	-	-	-	-	-
Haleon Pakistan Limited	HALEON	340,900	321,700	-	21,662	640,938	121,097	89,821	(31,276)	1.86%	0.08%
Hightoon Laboratories Limited	HINOON	19,985	230,050	54,207	60,635	243,607	89,990	81,893	(8,097)	1.70%	0.15%
The Searle Company Limited	SEARL	469,317	37,624	-	476,639	30,302	1,485	1,161	(324)	0.02%	0.00%
						4,816,868	406,643	313,027	(93,616)	6.49%	0.37%
Power generation and distribution											
The Hub Power Company Limited	HUBC	841,400	4,081,048	-	2,772,448	2,150,000	141,095	149,597	8,502	3.10%	0.01%
Nishat Chunian Power Limited	NCPL	-	2,618,132	-	2,618,132	-	-	-	-	-	-
						2,150,000	141,095	149,597	8,502	3.10%	0.01%
Refinery											
Attock Refinery Limited	ATRL	1,016,000	50,000	-	1,066,000	-	-	-	-	-	-
						-	-	-	-	-	-
Technology and communications											
Air Link Communication Limited	AIRLINK	3,031,000	930,000	-	3,961,000	-	-	-	-	-	-
Hum Network Limited**	HUMNL	6,200,000	12,670,500	1,238,400	7,738,400	12,370,500	72,310	72,243	(67)	1.50%	0.01%
Octopus Digital Limited	OCTOPUS	225,000	325,000	-	550,000	-	-	-	-	-	-
Systems Limited	SYS	500,000	75,000	-	268,305	306,695	107,051	123,699	16,648	2.57%	0.04%
TRG Pakistan Limited	TRG	250,000	100,000	-	350,000	-	-	-	-	-	-
						12,677,195	179,361	195,942	16,581	4.07%	0.05%
Textile composite											
Gul Ahmed Textile Mills Limited	GATM	2,948,940	2,588,373	689,808	2,088,272	4,138,849	107,179	73,712	(33,467)	1.53%	0.01%
Interloop Limited	ILP	862,686	5,071,179	2,014,932	1,378,412	6,570,385	243,102	231,671	(11,431)	4.81%	0.02%
Kohinoor Textile Mills Limited	KTML	1,444,718	591,000	-	957,164	1,078,554	52,750	54,908	2,158	1.14%	0.02%
Nishat Chunian Limited	NCL	5,373,058	1,998,849	-	6,948,761	423,146	9,263	8,589	(674)	0.18%	0.00%
Nishat Mills Limited	NML	2,477,545	910,960	-	2,583,505	805,000	54,240	45,699	(8,541)	0.95%	0.01%
						13,015,934	466,534	414,579	(51,955)	8.61%	0.06%
Textile spinning											
Gadoon Textile Mills Limited	GADT	29,000	-	-	29,000	-	-	-	-	0.00%	0.00%
						-	-	-	-	-	-
Tobacco											
Pakistan Tobacco Company Limited	PAKT	-	53,750	-	5,171	48,579	42,203	34,976	(7,227)	0.73%	0.01%
						48,579	42,203	34,976	(7,227)	0.73%	0.01%
Transport											
Pakistan International Bulk Terminal	PIBTL	3,800,000	-	-	3,800,000	-	-	-	-	0.00%	0.00%
						-	-	-	-	-	-
Total as at June 30, 2023						4,996,862	4,574,203	(422,659)	94.88%	2.21%	
Total as at June 30, 2022						9,983,897	8,600,490	(1,383,399)			

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

** These have a face value of Rs.1 per share.

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	--- (Number of shares) ---		---- (Rupees in '000) ----	
Bank Alfalah Limited	1,000,000	-	30,440	-
Fauji Cement Company Limited	10,000,000	-	117,600	-
The Hub Power Company Limited	-	750,000	-	51,127
Oil & Gas Development Company Limited	-	1,000,000	-	78,670
D.G Khan Cement Company Limited	-	2,000,000	-	125,000
	11,000,000	3,750,000	148,040	254,797

6.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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, 2019. During the year ended June 30, 2020, the CISs had 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 had issued notices to the relevant parties and had 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.

Further, 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 during the period were not withheld by the investee companies.

As at June 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.2.929 (June 30, 2022: Rs.3.764) million.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

6.2 Government securities - Market Treasury Bills - at fair value through profit or loss

Name of security	Issue date	Face value			Balances as at June 30, 2023		
		As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying Value	Market Value
----- (Rupees in '000) -----							
Treasury Bills							
Market Treasury Bills - 3 months	28-Jul-2022	-	500,000	500,000	-	-	-
	22-Sep-2022	-	500,000	500,000	-	-	-
	6-Oct-2022	-	500,000	500,000	-	-	-
	17-Nov-2022	-	100,000	100,000	-	-	-
	26-Jan-2023	-	500,000	500,000	-	-	-
	6-Apr-2023	-	500,000	500,000	-	-	-
	15-Jun-2023	-	500,000	500,000	-	-	-
Total as at June 30, 2023							
					-	-	-
Total as at June 30, 2022							
					-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
7. DIVIDEND AND MARKUP RECEIVABLES			
Dividend receivable		-	1,383
Markup receivable on bank balances	7.1	<u>5,129</u>	<u>3,935</u>
		<u><u>5,129</u></u>	<u><u>5,318</u></u>

7.1 These include a markup receivable of Rs.2.830 million (2022: Rs.3.039 million) maintained with MCB Bank Limited, a related party

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Advance tax	8.1	8,065	7,708
Receivable from NCCPL			
- Security deposits		2,500	2,500
- Deposit against exposure margin		2,716	2,716
Security deposits with CDC	8.2	500	500
Receivable against bonus shares with held	6.1.2	4,035	4,035
Others		478	950
		<u>18,294</u>	<u>18,409</u>

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. The amount of withholding tax deducted on markup on bank deposits has been shown as advance tax as at 30 June 2023, in the opinion of the management, the amount of tax deducted at source will be refunded.

8.2 This represents deposit with CDC on account of initial deposit for opening of investor account for electronic transfer of book-entry securities.

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
9. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	9.1	8,198	14,623
Sales tax on remuneration payable	9.2	1,066	1,901
Expenses allocated by the Management Company	9.3	410	731
Selling and marketing expense	9.4	17,551	31,187
Sales load payable		3	21
		<u>27,228</u>	<u>48,463</u>

9.1 The Management Company has charged remuneration at the rate of 2.00% (2022: 2.00%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 Sales tax on management remuneration has been charged at the rate of 13% (2022: 13%).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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) as per SECP vide SRO 639 dated June 20, 2019. The Management Company has charged allocated expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

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). The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
10. PAYABLE TO THE TRUSTEE			
Remuneration payable	10.1	492	814
Sales tax on remuneration payable	10.2	64	106
		556	920

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

Net assets value	Tariff per annum
Upto Rs.1,000,000,000	0.20% per annum of Net Assets
On amount exceeding Rs.1,000,000,000	Rs.2,000,000 plus 0.10% per annum of Net Assets exceeding Rs.1,000,000,000

10.2 Sindh Sales Tax at 13% (2022:13%) is charged on Trustee fee.

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (2022: 0.02%) of the average daily net assets of the Fund.

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty payable on:			
- Management remuneration	12.1	54,774	54,774
- Sales load payable		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		2,051	5,527
Auditors' remuneration		805	624
Withholding tax payable		19	172
Printing and related charges payable		40	40
Payable to legal advisor		39	35
		71,383	74,827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

12.1 Federal Excise Duty on remuneration to the Management Company

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During 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.

With effect from July 01, 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.

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 prior to this period has been maintained by the Fund which at June 30, 2023 aggregates to Rs.54.77 (2022: Rs.54.77) million. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2023 would have been higher by Rs.0.96 (2022: Rs.0.57) per unit.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the June 30, 2023 (2022: Nil).

June 30, June 30,
2023 2022
----- (Rupees in '000) -----

14. AUDITORS' REMUNERATION

Annual audit fee	600	575	
Half yearly review fee	340	315	
	940	890	
 Other services, taxes and out of pocket expenses	 360	 230	
	1,300	1,120	

15. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has no distributable income, therefore no distribution has been made by the Fund. Accordingly, no provision for taxation has been recognized in these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

16. 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 owning 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 provision 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:

	June 30, 2023			
	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at June 30, 2023
16.1 Unit Holders' Fund	Units			
	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at June 30, 2023
	(Rupees in '000)			
MCB-Arif Habib Savings and Investments Limited - Management Company*	1,044,926	1,199,781	2,244,707	-
Group / associated companies				
Adamjee Life Assurance Company Limited - IMF *	39,875,771	-	25,350,840	14,524,931
Adamjee Life Assurance Company Limited - DGF	19,165	-	19,165	-
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	-	199,265
Director and Key Management Personnel	120,858	599,466	614,438	105,886
Mandate under discretionary portfolio services	121	1,638,239	685,226	953,134
Unit holders holding 10% or more	12,564,079	-	2,143,549	10,420,530
				1,086,842
				10,455
				50,697
				52,431
				56,642
				80,319
				175,000
				878,115
				199,368
				2,075,105
				1,507
				16,792
				8,923
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319
				878,115
				175,000
				80,319

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
16.2 Transactions during the year:		
Management Company		
MCB Arif Habib Savings and Investments Limited		
Remuneration of the Management Company	139,616	220,935
Sindh Sales Tax on remuneration of the Management Company	18,150	28,722
Allocated expenses	6,981	11,154
Selling and marketing expenses	90,750	145,009
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	7,981	12,155
Sindh Sales Tax on remuneration of the Trustee	1,037	1,580
Central Depository Service charges	548	1,339
Group / associated companies		
MCB Bank Limited		
Bank charges	31	95
Markup on balances with banks	25,368	26,353
Dividend income	-	4
Purchase of 136,429 shares (2022: 1,325,259 shares)	16,638	207,595
Sale of 178,929 shares (2022: 1,282,759 shares)	22,846	210,200
Nishat Mills Limited		
Dividend income	5,859	398
Purchase of 910,960 shares (2022: 3,524,045 shares)	54,790	289,318
Sale of 2,583,505 shares (2022: 1,046,500 shares)	170,557	93,520
Nishat Power Limited		
Dividend income	-	4,504
Purchase of Nil shares (2022: 700,000 shares)	-	14,760
Sale of Nil shares (2022: 1,669,000 shares)	-	31,945
Lalpir Power Limited		
Dividend income	-	7,191
Sale of Nil shares (2022: 7,202,500 shares)	-	111,248
DG Khan Cement Company Limited		
Dividend income	1,320	1,888
Purchase of 3,054,659 shares (2022: 6,814,318 shares)	151,480	533,743
Sale of 5,677,437 shares (2022: 4,617,520 shares)	333,748	376,908
Adamjee Life Insurance Company Limited		
Purchase of 5,000 (2022: 2,277,604) shares	84	63,766
Sale of 279,000 (2022: 1,902,500) shares	5,391	41,229
International Steels Limited		
Dividend Income	900	-
Purchase of 2,082,096 shares (2022: Nil shares)	100,859	-
Sale of 2,110,932 shares (2022: Nil shares)	98,097	-
Atlas Battery Limited		
Dividend income	654	-
Purchase of 9,800 shares (2022: Nil shares)	1,516	-
Sale of 4,187 shares (2022: Nil shares)	680	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
16.3 Balances outstanding at year end:		
Management Company		
MCB - Arif Habib Savings and Investment Limited		
Remuneration payable	8,198	14,623
Sindh sales tax payable on remuneration	1,066	1,901
Sales load payable including related taxes	3	21
Payable against allocated expense	410	731
Payable against marketing and selling expenses	17,551	31,187
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	492	814
Sindh sales tax payable on remuneration	64	106
Security deposit	500	500
Group / associated companies		
MCB Bank Limited		
Bank balance**	234,502	246,826
Markup receivable on bank balances	2,830	3,039
Other receivable against collection account	-	-
Sales load payable	-	-
Nil shares (2022: 42,500 shares)	-	5,227
D.G. Khan Cement Company Limited		
1,425,500 shares (2022: 4,048,278 shares)	73,128	253,017
Pak Elektron Limited		
1,300,000 shares (2022: 6,000,000 shares)	11,765	95,340
Adamjee Life Assurance Company Limited		
101,104 shares (2022: 375,104 shares)	1,394	8,556
Nishat Mills Limited		
805,000 shares (2022: 2,477,545 shares)	45,699	183,115
Atlas Battery Limited		
21,863 shares (2022: 13,000 shares)	4,469	2,235
International Steels Limited		
300,000 shares (2022: 328,836 shares)	12,159	19,520

* 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.

** This represents balances held in current and in savings accounts carrying mark-up at the rate of 12.25% - 19.50% (2022: 5.50% - 12.25%) per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

17. FINANCIAL RISK MANAGEMENT

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

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

The Fund's primary financial assets comprise of balances with banks and at fair value through profit and loss investments, comprising of equity securities of listed companies. The Fund also has dividend receivable, profit receivable, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to Management company, Trustee and SECP and accrued and other liabilities.

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

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

17.1.1 Currency risk

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

17.1.2 Interest rate risk

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

a) Sensitivity analysis of variable rate instruments

Presently, the Fund does not hold any variable rate financial instruments.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023 the Fund does not hold any fixed rate instruments, therefore, the Fund is not exposed to fair value profit rate risk.

Profit rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023						
<u>Exposed to yield / interest rate risk</u>						
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year		More than one year	Not exposed to interest rate risk	Total
		(Rupees in '000)				
On-balance sheet financial instruments						
Financial Assets						
Balances with banks	12.25% - 19.50%	276,664	-	-	27,596	304,260
Investments classified as:						
At fair value through profit or loss						
- Listed equity securities		-	-	-	4,574,203	4,574,203
Receivable against sale of investments		-	-	-	90,141	90,141
Dividend and markup receivables		-	-	-	5,129	5,129
Deposits and other receivables		-	-	-	10,229	10,229
		<u>276,664</u>	<u>-</u>	<u>-</u>	<u>4,707,298</u>	<u>4,983,962</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	26,162	26,162
Payable to the Trustee		-	-	-	492	492
Payable against redemption of units		-	-	-	386	386
Payable against purchase of investments		-	-	-	70,351	70,351
Accrued and other liabilities		-	-	-	12,657	12,657
		<u>-</u>	<u>-</u>	<u>-</u>	<u>110,048</u>	<u>110,048</u>
On-balance sheet gap		<u>276,664</u>	<u>-</u>	<u>-</u>	<u>4,597,250</u>	<u>4,873,914</u>

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2023.

June 30, 2022						
<u>Exposed to yield / interest rate risk</u>						
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year		More than one year	Not exposed to interest rate risk	Total
		(Rupees in '000)				
On-balance sheet financial instruments						
Financial Assets						
Balances with banks	5.50 % - 17.05 %	305,003	-	-	24,794	329,797
Investments classified as:						
At fair value through profit or loss						
- Listed equity securities		-	-	-	8,600,490	8,600,490
Receivable against sale of investments		-	-	-	148,458	148,458
Dividend and markup receivables		-	-	-	5,318	5,318
Deposits and other receivables		-	-	-	10,701	10,701
		<u>305,003</u>	<u>-</u>	<u>-</u>	<u>8,789,761</u>	<u>9,094,764</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	46,562	46,562
Payable to the Trustee		-	-	-	814	814
Payable against redemption of units		-	-	-	386	386
Payable against purchase of investments		-	-	-	100,314	100,314
Accrued and other liabilities		-	-	-	15,948	15,948
		<u>-</u>	<u>-</u>	<u>-</u>	<u>164,024</u>	<u>164,024</u>
On-balance sheet gap		<u>305,003</u>	<u>-</u>	<u>-</u>	<u>8,625,737</u>	<u>8,930,740</u>

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2022.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

17.1.3 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 interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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.

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, 2023	June 30, 2022
	---- (Rupees in '000) ----	
Investments	228,710	430,025
Income statement	228,710	430,025

17.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The credit risk of the Fund principally arises from deposits and other receivable balances.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The main concentration to which the Fund is exposed arises from the Fund's bank balances. The Fund is also exposed to counterparty credit risk on amounts due from brokers, deposits and other receivable balances (except for deposits with NCCPL and CDC are highly rated and risk of default is considered minimal). The Fund's maximum exposure to credit risk related to receivables at June 30, 2023 and June 30, 2022 is the carrying amounts of following financial assets.

The maximum exposure to credit risk as at June 30, 2023 and June 30, 2022 were as follows:

	June 30, 2023		June 30, 2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees in '000) -----			
Balances with banks	304,260	304,260	329,797	329,797
Receivable against sale of investments	90,141	90,141	148,458	148,458
Dividend and markup receivables	5,129	5,129	5,318	5,318
Deposits and other receivables	10,229	10,229	10,701	10,701
	409,759	409,759	494,274	494,274

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The analysis below summarizes the credit rating quality of the Fund's financial assets as at June 30, 2023 and June 30, 2022.

Bank balances by rating category	June 30, 2023	June 30, 2022
	----- % -----	
AAA/A1+	93.27%	97.64%
AA+/A1+	6.71%	2.35%
AA-/A1+	0.01%	0.00%
A+/A1	0.01%	0.00%
A-/A2	0.00%	0.01%
	100.00%	100.00%

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2023 and June 30, 2022.

Deposits placed with NCCPL and CDC for the purpose of effecting transaction and settlement of listed securities. It is expected that all securities deposited with NCCPL and CDC will be clearly identified as being assets of the Fund, hence, the management believes that the Fund is not materially exposed to a credit risk with respect to such parties.

All transactions in listed securities are settled/paid for upon delivery using approved brokers and NCCPL. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation

Accordingly unrated balances including amounts due from brokers, deposits and other receivables have been assessed by the investment manager to have credit quality consistent with a bond can have and still be considered investment-grade. An investment grade bond is a bond considered to have a relatively low risk of default.

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.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using central clearing system.

17.3 Liquidity risk

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

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

June 30, 2023				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
----- (Rupees in '000) -----				
Liabilities				
Payable to the Management Company	26,162	26,162	-	-
Payable to the Trustee	492	492	-	-
Payable against redemption of units	386	386	-	-
Payable against purchase of investments	70,351	70,351	-	-
Accrued and other liabilities	12,657	12,657	-	-
	110,048	110,048	-	-

June 30, 2022				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
----- (Rupees in '000) -----				
Liabilities				
Payable to the Management Company	46,562	46,562	-	-
Payable to the Trustee	814	814	-	-
Payable against redemption of units	386	386	-	-
Payable against purchase of investments	100,314	100,314	-	-
Accrued and other liabilities	15,948	15,948	-	-
	164,024	164,024	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

17.4 Financial instruments by category

	June 30, 2023		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Assets			
Balances with banks	-	304,260	304,260
Investments	4,574,203	-	4,574,203
Dividend and markup receivables	-	5,129	5,129
Receivable against sale of investment	-	90,141	90,141
Deposits and other receivables	-	10,229	10,229
	4,574,203	409,759	4,983,962

	June 30, 2023		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to the Management Company	-	26,162	26,162
Payable to the Trustee	-	492	492
Payable against redemption of units	-	386	386
Payable against purchase of investments	-	70,351	70,351
Accrued and other liabilities	-	12,657	12,657
	-	110,048	110,048

	June 30, 2022		
	At fair value through profit or loss	At amortised cost	Total
	'----- (Rupees in '000) '-----		
Assets			
Balances with banks	-	329,797	329,797
Investments	8,600,490	-	8,600,490
Dividend and markup receivables	-	5,318	5,318
Receivable against sale of investment	-	148,458	148,458
Advances, deposits and other receivables	-	10,701	10,701
	8,600,490	494,274	9,094,764

	June 30, 2022		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to the Management Company	-	46,562	46,562
Payable to the Trustee	-	814	814
Payable against redemption of units	-	386	386
Payable against purchase of investments	-	100,314	100,314
Accrued and other liabilities	-	15,948	15,948
	-	164,023	164,023

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

18. UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

As at June 30, 2023 and June 30, 2022, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
June 30, 2023				
At fair value through profit or loss	4,574,203	-	-	4,574,203
June 30, 2022				
At fair value through profit or loss	8,600,490	-	-	8,600,490

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding pattern of unit holding, list of top ten brokers, meetings of the Board of Directors of the management company and members of the Investment Committee are as follows:

20.1 Pattern of unit holding

Details of pattern of unit holding

	June 30, 2023			Percentage of total investments
	Number of unit holders	Number of units held	Investment Amount (Rupees in '000)	
Individuals	6,263	18,785,824	1,583,040	32.83%
Insurance companies	9	1,521,215	128,189	2.66%
Banks / DFIs	3	39,267	3,309	0.07%
Non Banking Finance Companies (NBFCs)	7	33,568	2,829	0.06%
Retirement funds	39	16,742,489	1,410,853	29.27%
Other Companies	60	3,409,974	287,351	5.96%
Associated Companies	2	14,724,196	1,240,776	25.74%
Director	1	9	1	0.00%
Others	768	1,950,680	164,380	3.41%
	7,152	57,207,222	4,820,727	100.00%

	June 30, 2022			Percentage of total investments
	Number of unit holders	Number of units held	Investment Amount (Rupees in '000)	
Individuals	6,658	25,256,349	2,184,771	24.62%
Insurance companies	9	3,190,447	275,986	3.11%
Asset Management Company	1	1,044,928	90,390	1.02%
Banks / DFIs	3	39,267	3,397	0.04%
Non Banking Finance Companies (NBFCs)	7	33,568	2,904	0.03%
Retirement funds	59	25,317,277	2,190,043	24.68%
Other Companies	62	4,638,702	401,266	4.52%
Associated Companies	5	41,172,165	3,561,552	40.13%
Director	1	97,463	8,431	0.09%
Others	751	1,810,236	156,592	1.76%
	7,556	102,600,401	8,875,332	100.00%

20.2 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:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

		June 30, 2023 (Percentage)
1	JS Global Capital Limited	7.89%
2	Alfalah CLSA Securities (Private) Limited	6.95%
3	ISIQ Securities Limited	6.94%
4	Top Line Securities (Private) Limited	6.09%
5	AKIK Capital (Private) Limited	5.89%
6	KTrade Securities Limited	5.88%
7	Intermarket Securities Limited	5.83%
8	DJM Securities Limited	5.68%
9	AKD Securities Limited	3.97%
10	Arif Habib Limited	3.93%
		June 30, 2022 (Percentage)
1	Alfalah CLSA Securities (Private) Limited	6.82%
2	Arif Habib Limited	6.76%
3	JS Global Capital Limited	5.93%
4	Efg Hermes Pakistan Limited	5.92%
5	Intermarket Securities Limited	5.62%
6	Top Line Securities (Private) Limited	5.52%
7	DJM Securities Limited	5.42%
8	ISIQ Securities Limited	5.36%
9	BMA Capital Management Limited	4.52%
10	AKD Securities Limited	4.25%

20.3 Attendance at meetings of the Board of Directors

The 177th, 178th, 179th, 180th, 181st, 182nd, 183rd, 184th, 185th, 186th, 187th and 188th meeting of the Board of Directors were held on July 28, 2022, August 02, 2022, August 15, 2022, September 01, 2022, October 18, 2022, October 21, 2022, January 31, 2023, February 03, 2023, March 22, 2023, April 11, 2023, April 14, 2023 and May 02, 2023 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of Director	Number of meetings			Meeting not attended
	Held	Attended	Leave granted	
Mr. Haroun Rashid	12	12	-	-
Mr. Nasim Beg*	12	12	-	-
Mr. Ahmed Jahangir	12	12	-	-
Mr. Mirza Qamar Beg*	12	12	-	-
Mr. Syed Savail Meekal Hussain	12	10	2	185th and 187th
Mr. Kashif A. Habib*	12	8	4	180th, 184th, 186th and 187th
Ms. Mavra Adil Khan	12	9	3	178th, 181st and 182nd
Mr. Shoaib Mumtaz**	12	1	-	-
Mr. Manzar Mushtaq**	12	1	-	-
Mr. Fahd Kamal Chinoy**	12	1	-	-
Mr. Muhammad Saqib Saleem	12	12	-	-

* These director resigned on May 02, 2023

** These director were appointed on May 02, 2023

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

20.4 Particulars of investment committee and fund manager

Detail of members of the investment committee of the Fund are as follow:

	Name	Designation	Qualification	Experience in years
1	Muhammad Saqib Saleem	Chief Executive Officer	FCCA & FCA	25.5
2	Muhammad Asim	Chief Investment Officer	MBA & CFA	20
3	Awais Abdul Sattar	Portfolio Manager Equities	MBA & CFA	12
4	Jawad Naeem	Head of Islamic Equity	MBA Finance & CFA Level 1	15
5	Saad Ahmed	Head of Fixed Income	MBA	17
6	Syed Abid Ali	Head of Equities	MBA	15
7	Usama Iqbal	Fund Manager	MBA	19

20.5 Other funds managed by the fund manager

Mr. Awais Abdul Sattar is the Manager of the Fund as at year end.

21. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 4.31% as on June 30, 2023 (2022 is 4.27%) and this includes 0.35% (2022: 0.29%) representing Government Levy and SECP fee.

22. GENERAL

22.1 Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

22.2 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue On July 26, 2023 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2023**

No. of Unit Holders	Unit holdings	Total units held
3442	A. 001-10,000	103,341
2134	B. 10,001 – 100,000	970,884
1209	C. 100,001 – 1000,000	4,761,292
367	D. 1000,001 & Above	51,371,705
<u>7,152</u>		<u>57,207,222</u>

**PERFORMANCE TABLE
FOR THE YEAR ENDED JUNE 30, 2023**

Performance Information	2023	2022	2021	2020	2019
Total Net Assets Value – Rs. in million	4,820.7279	8,875.3320	12,397.1820	8,803.8971	9,556.0000
Net Assets value per unit – Rupees	84.2678	86.5039	103.6294	77.4230	79.3006
Closing Offer Price	87.1245	89.4364	107.1424	80.0476	81.9889
Closing Repurchase Price	81.4111	83.5714	100.1164	74.7984	76.6123
Highest offer price per unit	95.3885	110.6947	111.0017	84.1621	101.2954
Lowest offer price per unit	75.4434	57.6102	81.0590	81.5497	80.4862
Highest Redemption price per unit	92.2609	107.0652	107.3621	81.4026	97.9741
Lowest Redemption price per unit	72.9697	56.6500	78.4012	78.8758	77.8472
Distribution per unit – Rs. *	-	-	-	-	-
Average Annual Return - %					
One year	-2.58	-16.53	33.85	-2.37	-16.35
Two year	-9.56	8.66	15.74	-9.36	-11.93
Three year	4.91	4.98	5.04	-8.74	1.89
Net Income for the year – Rs. in million	(298.2352)	(1,816.9225)	3,073.7630	(164.2317)	(1,943.1600)
Distribution made during the year – Rs. in million	-	-	-	-	-
Accumulated Capital Growth – Rs. in million	(298.2352)	(1,816.9225)	3,073.7630	(164.2317)	(1,943.1600)

* Date of Distribution

2023	
Date	Rate
Nil	

2022	
Date	Rate
Nil	

2021	
Date	Rate
Nil	

2020	
Date	Rate
Nil	

2019	
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, 2023**

The Board of Directors of MCB - Arif Habib Savings and Investments Limited (the Management Company of MCB Pakistan Stock Market Fund – MCB-PSM) has an overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on the Management Company’s website (www.mcbfunds.com).

During the financial year ended June 30, 2023, the Management Company on behalf of MCB-PSM participated in thirteen (13) shareholders' meetings. The Management Company did not participate in shareholders’ meetings in the cases which did not meet the criteria reported in Paragraph No. 8 and 9 of the Proxy Voting Policy and Procedures. Summary of actual proxies voted during the financial year are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	75	75	0	0	-
(%ages)	100	100	0	0	-

Detailed information regarding actual proxies voted by the Management Company on behalf of MCB-PSM will be provided without any charges on request of the Unit Holders.

MCB INVESTMENT MANAGEMENT LIMITED
(Formerly: MCB Arif Habib Savings and Investments Limited)
Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi
UAN: (+92-21) 111 468 378 (111 INVEST)
URL: www.mcbfunds.com, **Email:** info@mcbfunds.com