



MCB FUNDS
Investments for Life

ANNUAL REPORT 2023

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



ALHAMRA ISLAMIC STOCK 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۔

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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 Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited National Bank of Pakistan Standard Chartered Bank Limited Silk Bank Limited MCB Islamic Bank Limited	Bank Islami Pakistan Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Soneri Bank Limited Al-Baraka Bank Pakistan Limited 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 **Alhamra Islamic Stock 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, ALHISF delivered a return of -0.99% as compared to benchmark return of 2.88%. Overall equity exposure of the fund stood at 94.3% at the end of the period. The fund changed its investment strategy several times during the quarter to cope with various sector and company level fundamental developments. During the period, the fund had exposures majorly in Oil and Gas Exploration Companies, Cement, Fertilizer, Textile and Commercial Banks. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 2,479 million as compared to Rs. 2,430 million as at June 30, 2022 registering an increase of 2.02%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 9.01 as compared to opening NAV of Rs. 9.10 per unit as at June 30, 2022 registering a decrease of Rs. 0.09 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, external concerns have eased post agreement with IMF 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	-

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* 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 Asif Mehdi Rizvi	Chief Operating & Financial Officer	1,420,714	1,859,578	-

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

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
				(یونٹس کی تعداد)	
1.	محمد آصف مہدی رضوی	چیف آپریٹنگ اینڈ فائنانشل آفیسر	1,420,714	1,859,578	-

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرانٹ اینڈ یوٹیلٹی 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 تشکر

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

من جانب ڈائریکٹرز،

Mansar Mushtaq

منظر مشتاق
ڈائریکٹر

M. Javed

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 قمر بیگ (چیئرمین)*
1	7	8	8	۲۔ جناب نسیم بیگ *
-	8	8	8	۳۔ جناب احمد جہانگیر
2	6	8	8	۴۔ جناب کاشف اے حبیب *
3	5	3	8	۵۔ سید ساویل میقال 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 قمر بیگ* (چیئرمین)
-	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 میقال حسین
-	5	5	5	۶۔ جناب محمد ثاقب سلیم (سی ای او)

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

n. دوران سال مینجمنٹ کمیٹی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور

چیف انٹرنل آڈیٹر اور ان کے شریک حیات اور نابالغ بچوں نے فنڈ کے یونٹس کی خرید و فروخت کی۔

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 بکس 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 نوٹیفائیڈ انٹیلیجنٹ 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 (اگر کوئی ہیں تو) آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے؛

i. پراویڈنٹ / گریجویٹس اور پینشن فنڈ کی قدر کے اسٹیٹمنٹ 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 مختصہ 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:

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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 سیکورٹیز 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 آفٹھ (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 ساول میکان حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیرمین)
6.	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی (چیرمین)
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

متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

کیپیٹل 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 اُن کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.7x 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 اگم 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، فکسڈ 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 اگم 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 آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن 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 حُجْماتی 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

دورانِ مدت فنڈ کا منافع -0.99 فیصد تھا، بالمقابل مقررہ معیار (بنچ مارک) 2.88 فیصد منافع کے۔ اختتامِ مدت پر فنڈ کی ایکویٹی میں مجموعی سرمایہ کاری 94.3 فیصد تھی۔ فنڈ نے اپنی سرمایہ کاری کی حکمتِ عملی میں متعدد مرتبہ تبدیلی کی تاکہ مختلف شعبہ جاتی اور کمپنی کی سطح پر ہونے والی بنیادی تبدیلیوں سے ہم آہنگی ہو سکے۔ دورانِ مدت فنڈ کی زیادہ تر سرمایہ کاری تیل اور گیس کی دریافت کی کمپنیوں، سیمنٹ، کھاد، ٹیکسٹائل اور کمرشل بینکوں میں تھی۔

30 جون 2023ء کو فنڈ کے net اثاثہ جات 2,479 ملین روپے تھے، جو 30 جون 2022ء کی سطح 2,430 ملین روپے کے مقابلے میں 2.02 فیصد کا اضافہ ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 9.01 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی فی یونٹ 9.10 روپے کے مقابلے میں 0.09 روپے فی یونٹ 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 اگریمینٹ (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 دیے 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 دورانِ 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

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۔

ثانوی 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۔ بلنز 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 بہہ 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 نویں 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 ریفاؤنڈری 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 الحمراء اسلامک اسٹاک فنڈ کے اکاؤنٹس کا جائزہ برائے سال مُختتمہ 30 جون 2023ء پیش خدمت ہے۔

معیشت اور بازار 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 مویشیوں 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 نوٹس (9th) جائزے کا اسٹاف لیول اگریمنٹ (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 کثیر الجہتی شراکت داروں سے غیر ملکی آمدورفت میں سستی 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 زرمشتمل 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 خوردونوش 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 کی 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

Alhamra Islamic Stock Fund [Formerly MCB Pakistan Islamic Stock Fund] is an Open-End Shariah Compliant Equity Scheme.

Fund Benchmark

The benchmark for ALHISF is KMI-30 Index.

Investment Objective

The objective of the Fund is to provide investors long term capital appreciation from its investment in Shariah Compliant Equity Securities.

Investment Strategy

Alhamra Islamic Stock Fund is an Open-ended Shariah Compliant Equity Scheme which primarily invests in Shariah Compliant Equity Securities. The Fund shall be subject to such exposure limits as specified in the Rules, the Regulations and directives issued by SECP from time to time.

Manager's Review

During the period, ALHISF delivered a return of -0.99% as compared to benchmark return of 2.88%. Overall equity exposure of the fund stood at 94.3% at the end of the period as compared to 92.4% at June 30, 2022. At the period end, the fund was 94.3% invested in equities, with major exposure in Cements, Oil exploration and Fertilizer sector.

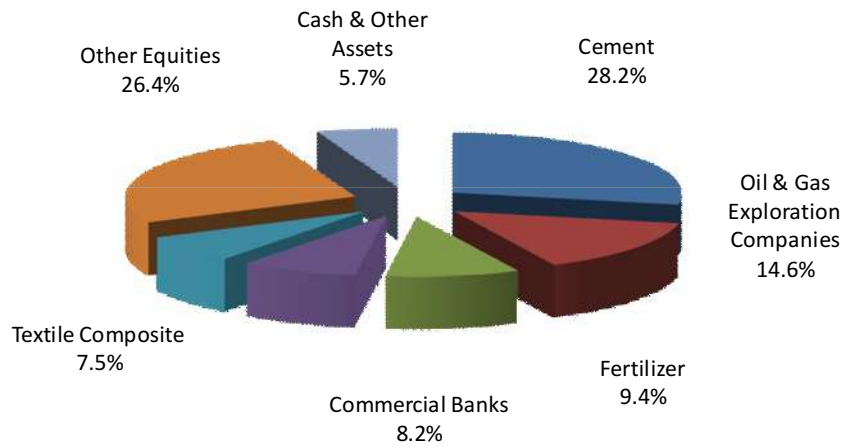
The Net Assets of the Fund as at June 30, 2023 stood at Rs. 2,453 million as compared to Rs. 2,395 million as at June 30, 2022 registering a increase of 2.4%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 9.01 as compared to opening NAV of Rs. 9.10 per unit as at June 30, 2022 registering a decrease of Rs. 0.09 per unit.

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

Asset Allocation (%age of Total Assets)	Jun-23
Stock / Equities	94.3%
Cash	4.7%
Others including receivables	1.0%

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

Sector Allocation (%age of Total Asset)



Jawad Naeem
Fund Manager

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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TRUSTEE REPORT TO THE UNIT HOLDERS

ALHAMRA ISLAMIC STOCK 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 Alhamra Islamic Stock 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



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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alhamra Islamic Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alhamra Islamic Stock 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 99% 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
<p>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.</p>	<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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



- 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: AR202310076JEeAZDFNI

REPORT OF THE SHARIAH ADVISORY BOARD

Karachi: September 16, 2023

REPORT OF THE SHARIAH ADVISORY BOARD

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

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

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

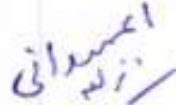
- We have reviewed and approved the modes of investment of ALHISF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHISF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information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

During the year an amount of Rupees 5,735,092.23 was transferred to charity account. The total amount of charity payable as at 30 June 2023 amounts to Rs. 5,735,092.23.

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



Dr Muhammad Zubair Usmani
(Shariah Advisor)



Dr Ejaz Ahmed Samadani
(Shariah Advisor)

For and on behalf of Shariah Advisory Board

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

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	120,136	141,898
Investments	2,398,010	2,306,876
Receivable against sale of investments	21,150	42,371
Profit receivables	737	2,052
Advances, deposits and other receivables	3,664	4,121
Total assets	2,543,697	2,497,318
LIABILITIES		
Payable to the Management Company	13,369	13,788
Payable to the Trustee	324	330
Payable to the Securities and Exchange Commission of Pakistan	517	638
Payable against purchase of investments	24,401	27,702
Accrued expenses and other liabilities	25,758	24,517
Total liabilities	64,369	66,975
NET ASSETS	2,479,328	2,430,343
Unit holders' fund (as per statement attached)	2,479,328	2,430,343
Contingencies and Commitments	13	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	275,081,665	267,102,604
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	9.01	9.10

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			
Profit on balances with banks		15,097	13,909
Dividend income		167,313	153,644
Realized gain / (loss) on sale of investments - net		11,531	(287,123)
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	6.1	(96,264)	(421,444)
Total Income / (loss)		97,677	(541,014)
EXPENSES			
Remuneration of the Management Company	9.1	51,738	63,835
Sindh Sales Tax on remuneration of the Management Company	9.2	6,726	8,298
Remuneration of the Trustee	10.1	3,566	4,192
Sindh Sales Tax on remuneration of the Trustee	10.2	475	545
Annual fee of the Securities and Exchange Commission of Pakistan	11	517	638
Allocated expenses	9.3	2,587	3,192
Selling and marketing expenses	9.4	33,630	41,492
Auditors' remuneration	14	862	388
Securities transaction cost		9,985	14,171
Settlement and bank charges		1,052	1,461
Legal and professional charges		176	152
Shariah advisory fee		710	720
Printing and related charges		40	38
Donation / charity	12.1	5,735	4,808
Fees and subscriptions		28	27
Total expenses		117,827	143,957
Net loss from operating activities		(20,150)	(684,971)
Reversal of Provision for Sindh Workers' Welfare Fund		-	27,763
Net loss for the year before taxation		(20,150)	(657,208)
Taxation	15	-	-
Net loss for the year		(20,150)	(657,208)
Allocation of net income for the year after taxation			
Net income for the year		-	-
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	(20,150)	(657,208)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(20,150)</u>	<u>(657,208)</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

**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 (loss) / income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the year	3,063,112	(632,769)	2,430,343	3,385,741	24,439	3,410,180
Issuance of 231,810,185 (2022: 291,886,407) units:						
- Capital value (at net asset value per unit at the beginning of the year) at Rs.9.10	2,109,474	-	2,109,474	3,295,398	-	3,295,398
- Element of loss	(21,880)	-	(21,880)	(164,980)	-	(164,980)
	2,087,594	-	2,087,594	3,130,418	-	3,130,418
Redemption of 223,831,124 (2022: 326,766,563) units:						
- Capital value (at net asset value per unit at the beginning of the year) at Rs.9.10	2,036,863	-	2,036,863	3,689,194	-	3,689,194
- Element of loss	(18,404)	-	(18,404)	(236,147)	-	(236,147)
	2,018,459	-	2,018,459	3,453,047	-	3,453,047
Total comprehensive loss for the year	-	(20,150)	(20,150)	-	(657,208)	(657,208)
Distributions during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(20,150)	(20,150)	-	(657,208)	(657,208)
Net assets as at the end of the year	3,132,247	(652,919)	2,479,328	3,063,112	(632,769)	2,430,343
Undistributed (loss) / income brought forward comprising of:						
- Realised		(211,325)			(216,927)	
- Unrealised		(421,444)			241,366	
		(632,769)			24,439	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the year after taxation		(20,150)			(657,208)	
Undistributed loss carried forward		(652,919)			(632,769)	
Undistributed loss carried forward comprising of:						
- Realised		(556,655)			(211,325)	
- Unrealised		(96,264)			(421,444)	
		(652,919)			(632,769)	
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the year		9.10			11.29	
Net assets value per unit as at end of the year		9.01			9.10	

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

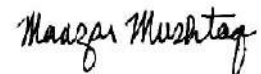
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(20,150)	(657,208)
Adjustments for non cash and other items:			
Profit on balances with banks		(15,097)	(13,909)
Dividend income		(167,313)	(153,644)
Reversal of Provision for Sindh Workers' Welfare Fund		-	(27,763)
Realized (gain) / loss on sale of investments - net		(11,531)	287,123
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net		-	-
		96,264	421,444
		(117,827)	(143,957)
Decrease / (increase) in assets			
Investments - net		(175,867)	327,930
Receivable against sale of investments		21,221	8,751
Advances, deposits and other receivables		457	3,290
		(154,189)	339,971
(Decrease) / increase in liabilities			
Payable to Management Company		(419)	(4,172)
Payable to Trustee		(6)	(86)
Payable to the Securities and Exchange Commission of Pakistan		(121)	(53)
Payable against purchase of investments		(3,301)	(15,795)
Accrued expenses and other liabilities		1,241	(3,727)
		(2,606)	(23,833)
Profit received on balances with banks		16,412	12,241
Dividend received		167,313	154,054
Net cash (used in) / generated from operating activities		(90,897)	338,476
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		2,087,594	3,130,418
Amount paid on redemption of units		(2,018,459)	(3,453,047)
Net inflow / (outflow) from financing activities		69,135	(322,629)
Net (decrease) / increase in cash and cash equivalents during the year		(21,762)	15,847
Cash and cash equivalents at the beginning of the year		141,898	126,051
Cash and cash equivalents at the end of the year	5	120,136	141,898

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 Alhamra Islamic Stock Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 26, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Formation of the Fund as a closed-end fund was authorized by SECP on May 13, 2004, however with effect from November 11, 2010 the Fund was converted into open-end fund. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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 is categorised as "Shariah Compliant Islamic Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturity. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund.

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

1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

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

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

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-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

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

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

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

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.

4.2 Standards, interpretations and amendments to published accounting and reporting 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.

Standards	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.

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

4.4 Investments

4.4.1 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to Cash flows that are solely payments of principal and interest (SPPI) on the principal Amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

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

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

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

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).

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

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.

4.4.2 Initial Measurement

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

Subsequent Measurement

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.

Financial assets at fair value through profit or loss

These assets are subsequently measured at amortised cost using the amortized cost effective interest method. The amortised cost is reduced by impairment losses. Profit income, foreign exchange gains and losses and impairment are recognised in income statement.

4.4.3 Impairment of financial assets

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

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

4.5 Derecognition

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.

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

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 period.

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.

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 Trade date accounting

All regular way purchases and sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Fund. Regular way purchases or sales of investment require delivery of securities within two days after transaction date as required by stock exchange regulations.

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

4.13 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.

4.14 Revenue recognition

- Realized 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 on bank balances, term deposit receipts and government securities is recognised on effective interest rate method.

4.15 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.

4.16 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.

4.17 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

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

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	-----
5 BALANCES WITH BANKS			
In current accounts	5.1	23,170	17,410
In savings accounts	5.2	96,966	124,488
		<u>120,136</u>	<u>141,898</u>
5.1	These include a balance of Rs.10.852 (2022: Rs.5.022) million maintained with MCB Bank Limited, a related party.		
5.2	These carry profit at the rates ranging from 11.43% to 20.25% (2022: 6.60% to 15.51%) per annum and include Rs.82.548 (June 30, 2022: Rs.0.010) million maintained with MCB Islamic Bank Limited, a related party which carries Profit at the rate of 18.50% (2022: 6.60%) per annum.		
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	<u>2,398,010</u>	<u>2,306,876</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	Symbols	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 (Rupees in '000)	Market value (loss) / gain		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Automobile assembler										
Pak Suzuki Motors Company Limited	PSMC	500	-	-	500	-	-	-	-	-
Automobile parts and accessories										
Agrauto Industries Limited *	AGIL	47,500	11,825	-	59,325	-	-	-	-	-
Panther Tyres Limited	PTL	250,000	-	-	250,000	-	-	-	-	-
Thal Limited *	THALL	81,300	18,700	-	81,000	19,000	4,869	3,078	(1,791)	0.12%
							4,869	3,078	(1,791)	0.12%
Cable and electrical goods										
Pak Elektron Limited	PAEL	1,475,300	1,427,000	-	2,152,300	750,000	11,667	6,788	(4,879)	0.27%
							11,667	6,788	(4,879)	0.27%
Cement										
Cherat Cement Company Limited	CHCC	375,068	610,000	-	522,804	462,264	47,557	55,601	8,044	2.24%
D.G Khan Cement Limited**	DGKC	500,000	2,146,000	-	1,146,000	1,500,000	75,285	76,950	1,665	3.10%
Fauji Cement Company Limited	FCCL	9,405,500	9,926,500	1,250,000	3,332,000	17,250,000	215,242	202,860	(12,382)	8.18%
Gharbual Cement limited	GWLC	612,000	20,000	-	32,000	600,000	11,691	9,300	(2,391)	0.38%
Kohat Cement company Limited	KOHC	360,050	284,350	-	394,400	250,000	33,282	43,368	10,086	1.75%
Lucky Cement Limited	LUCK	342,500	329,000	-	351,500	320,000	143,185	167,069	23,884	6.74%
Maple Leaf Cement Factory Limited	MLCF	4,150,000	6,529,122	-	5,379,122	5,300,000	129,756	150,149	20,393	6.06%
Pioneer Cement Limited	PIOC	-	1,000,000	-	850,000	150,000	9,631	12,995	3,364	0.52%
							665,629	718,292	52,663	28.97%
Chemical										
Dynea Pakistan Limited*	DYNO	-	88,600	-	-	88,600	9,498	11,164	1,666	0.45%
Descon Oxychem Limited	DOL	-	25,000	-	25,000	-	-	-	-	-
							9,498	11,164	1,666	0.45%
Commercial banks										
BankIslami Pakistan Limited	B IPL	5,419,500	3,592,000	-	9,011,500	-	-	-	-	0.00%
Meezan Bank Limited	MEBL	2,121,451	1,642,580	208,000	2,260,842	1,711,189	175,483	147,795	(27,688)	5.96%
Faysal Bank Limited	FABL	-	5,722,855	-	2,722,855	3,000,000	78,327	60,540	(17,787)	2.44%
							253,810	208,335	(45,475)	8.40%
Engineering										
Aisha Steel Mills Limited	ASL	1,599,990	1,255,639	-	855,629	2,000,000	21,895	10,800	(11,095)	0.44%
Agha Steel Industries Limited	AGHA	250	-	-	250	-	-	-	-	-
Anrrell Steels Limited	ASTL	560,000	-	-	560,000	-	-	-	-	-
International Industries Limited	INIL	125,000	-	-	125,000	-	-	-	-	-
Mughal Iron & Steel Industries Limited	MUGHAL	645,000	1,002,509	-	347,509	1,300,000	72,232	62,972	(9,260)	2.54%
							94,127	73,772	(20,355)	2.98%
Fertilizer										
Engro Corporation Limited	ENGRO	470,000	619,862	-	574,862	515,000	133,162	133,843	681	5.40%
Engro Fertilizer Limited	EFERT	950,000	685,972	-	735,972	900,000	77,384	74,277	(3,107)	3.00%
Fauji Fertilizer Bin Qasim Limited	FFBL	830,000	2,959,000	-	1,223,000	2,566,000	29,338	30,227	889	1.22%
							239,884	238,347	(1,537)	9.62%

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

Name of the investee company	Symbols	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			Unrealised (loss) / gain
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Food and personal care products											
AT-Tahir Limited											
PREMA		600,920	432,000	75,092	108,000	1,000,012	17,547	16,460	(1,087)	0.66%	0.46%
The Organic Meat Company Limited		1,576,000	886,500	121,875	1,084,000	1,500,375	30,841	31,178	337	1.26%	1.11%
National Foods Limited *		-	500,000	-	120,000	380,000	32,300	37,392	5,092	1.51%	0.16%
							80,688	85,030	4,342	3.43%	1.73%
Glass and ceramics											
Tariq Glass Industries Limited		300,000	-	-	300,000	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited*		737,500	427,000	-	64,500	1,100,000	15,283	9,152	(6,131)	0.37%	0.46%
							15,283	9,152	(6,131)	0.37%	0.46%
Miscellaneous											
Shifa International Hospitals		140,030	214,900	-	45,000	309,930	45,123	37,963	(7,160)	1.53%	0.49%
Synthetic Products Enterprises Limited*		-	781,500	-	81,500	700,000	7,854	7,280	(574)	0.29%	0.35%
							52,977	45,243	(7,734)	1.82%	0.84%
Oil and gas exploration companies											
Mari Petroleum Company Limited		129,000	40,660	-	72,160	97,500	165,160	147,677	(17,483)	5.96%	0.07%
Oil & Gas Development Company Limited		900,000	2,868,818	-	1,968,818	1,800,000	148,069	140,400	(7,669)	5.66%	0.04%
Pakistan Oilfields Limited		60,000	143,635	-	203,635	-	-	-	-	-	-
Pakistan Petroleum Limited		1,400,000	2,813,000	-	2,813,000	1,400,000	90,450	82,796	(7,654)	3.34%	0.05%
							403,679	370,873	(32,806)	14.96%	0.16%
Oil and gas marketing companies											
Attock Petroleum Limited		32,000	40,300	-	72,300	-	-	-	-	-	-
Sui Northern Gas Pipelines limited		400,000	750,000	-	550,000	600,000	23,926	23,622	(304)	0.95%	0.09%
							23,926	23,622	(304)	0.95%	0.09%
Pharmaceuticals											
AGP Limited		257,410	321,069	-	578,479	-	-	-	-	-	-
Citi Pharma Ltd		1,100,000	703,266	-	595,677	1,207,589	37,597	25,770	(11,827)	1.04%	0.53%
Haleon Pakistan Limited		177,000	137,600	-	44,600	270,000	51,797	37,838	(13,959)	1.53%	0.23%
Highnoon Laboratories Limited		15,825	119,000	29,748	25,825	138,748	51,214	46,643	(4,571)	1.88%	0.26%
Ferozons Laboratories Limited		-	131,000	14,000	45,000	100,000	20,585	13,685	(6,900)	0.55%	0.23%
							161,193	123,936	(37,257)	5.00%	1.25%
Power generation & distribution											
Hub Power Company Limited		1,275,000	2,149,100	-	1,904,100	1,520,000	101,983	105,762	3,779	4.27%	0.12%
							101,983	105,762	3,779	4.27%	0.12%

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

Name of the investee company	Symbols	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		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Paper and Board										
Packages Limited	PKGS	63,300	2,800	-	6,100	60,000	23,880	23,336	(544)	0.94%
Century paper and board Limited	CEPB	35,000	334,000	200,000	119,000	450,000	10,477	12,708	2,231	0.51%
							34,357	36,044	1,687	1.45%
Refinery										
Attock Refinery Limited	ATRL	275,000	125,000	-	400,000	-	-	-	-	-
Technology and communication										
Air Link Communication Limited	AIRLINK	593,000	-	-	593,000	-	-	-	-	-
Avanceon Limited	AVN	-	325,000	-	325,000	-	-	-	-	-
Octopus Digital Limited	OCTOPUS	-	450,000	-	450,000	-	-	-	-	-
Systems Limited	SYS	185,000	365,267	-	182,767	367,500	142,796	148,224	5,428	5.98%
							142,795	148,224	5,428	5.98%
Textile composite										
Interloop Limited	ILP	400,000	2,350,267	37,800	538,067	2,250,000	84,880	79,335	(5,545)	3.20%
Kohinoor Textile Mills Limited	KTML	852,800	608,500	-	261,000	1,200,300	59,923	61,106	1,183	2.46%
Nishat Churnian Limited	NCL	1,650,000	2,150,000	-	2,600,000	1,200,000	25,908	24,360	(1,548)	0.98%
Nishat Mills Limited**	NML	835,000	1,033,020	-	1,418,020	450,000	27,197	25,547	(1,650)	1.03%
							197,908	190,348	(7,560)	7.67%
Total as at June 30, 2023							2,494,273	2,398,010	(96,264)	96.71%
Total as at June 30, 2022							2,728,320	2,306,876	(421,444)	

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

** These are related party transactions.

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
	500,000	650,000	34,790	44,311
	700,000	700,000	54,600	55,069
	1,200,000	1,350,000	89,390	99,380

----- (Number of shares) ----- (Rupees in '000) -----

The Hub Power Company Limited
Oil & Gas Development Company Limited

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

6.1.2 The Finance Act, 2015 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the company declaring bonus shares which shall be considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemptions available to mutual funds under clause 99 of Part I and clause 47B of Part IV of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case. Certain investee companies of the Fund, in pursuance of the aforesaid amendment, withheld shares equivalent to 5% of bonus entitlement of the Fund having fair market value of Rs.0.03 million (June 30, 2022: Rs.0.03 million). Such shares have not been deposited by the investee company in CDC account in Income Tax department. The Fund has included the shares withheld in its investments and recorded them at fair market value at year end. Furthermore, the Finance Act 2018 has brought an amendment in the Income Tax Ordinance 2001, whereby the 5% withholding tax on bonus shares has been withdrawn. Therefore, the bonus shares received during the year ended June 30, 2022 are not liable to withholding of Income Tax.

		June 30, 2023	June 30, 2022
Note		----- (Rupees in '000) -----	
7	PROFIT RECEIVABLES		
	Profit receivable on bank balances	737	2,052
		737	2,052
8	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Advance tax	8.1 656	427
	Security deposits with NCCPL	8.2 2,500	2,500
	Security deposits with CDC	8.2 300	300
	Other receivable	8.3 208	894
		3,664	4,121

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 150 and 151. The tax withheld on profit on bank balances and dividends amounts to Rs.0.513 million and Rs.0.142 million respectively.

The amount of withholding tax deducted on profit on bank balances and dividend income 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 and NCCPL on account of initial deposit for opening of investor account for electronic transfer of book-entry securities.

8.3 This include a receivable against collection account of Rs.Nil (2022: Rs.0.003 million) with MCB Bank Limited, a related party.

**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
9 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	9.1	4,102	4,181
Sales tax on remuneration payable	9.2	533	544
Expenses allocated by the Management Company	9.3	205	209
Selling and Marketing expenses	9.4	8,479	8,789
Sales load payable		-	5
Shariah advisory fee payable		50	60
		<u>13,369</u>	<u>13,788</u>

9.1 As per the offering document, the Management Company has charged remuneration at the rate of 2.00% (2022: 2.00%) of average annual net assets of the Fund.

9.2 During the year, Sindh Sales Tax on management fee has been charged at 13% (2022: 13%).

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	287	292
Sales tax on remuneration payable	10.2	37	38
		<u>324</u>	<u>330</u>

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

Net assets value	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)

SECP, vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee at 0.02% (2022: 0.02%) of net assets on all categories of collective investment schemes which is effective from July 01, 2020.

**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 -----
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Unclaimed dividends		12,236	12,236
Charity / donation payable	12.1	5,735	4,808
Federal excise duty payable on management remuneration	12.2	5,689	5,689
Auditors' remuneration		591	266
Brokerage payable		519	992
Federal excise duty payable on sales load payable		125	125
Withholding tax payable		179	47
Printing and related charges payable		40	40
Payable to legal advisor		39	35
Others		605	279
		25,758	24,517

12.1 This represents the haram income allocated out of the dividend income for charity and donation.

12.2 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.5.69 (2022: Rs.5.69) 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.0.02 (2022: Re.0.02) per unit.

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

13 CONTINGENCIES AND COMMITMENTS

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

14 AUDITORS' REMUNERATION

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Annual audit fee	420	225
Half yearly review fee	150	105
	570	330
Other services, taxes and out of pocket expenses	292	58
	862	388

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.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

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

June 30, 2023

	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	Amount outstanding at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2023
	(Number of units)		(Rupees in '000)		(Rupees in '000)			
16.1 Unit Holder's Fund								
MCB-Arif Habib Savings and Investments Limited - Management Company	1,911,887	2,853,881	4,765,768	-	17,398	25,000	41,174	-
Group / associated companies / undertakings								
Nishat Mills Limited	1,121,411	-	-	1,121,411	10,205	-	-	10,104
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	462,336	-	-	462,336	4,207	-	-	4,166
Adamjee Life Assurance Company Limited - IMF	72,848,990	96,435,680	28,175,669	141,109,001	662,926	866,545	257,000	1,271,392
Adamjee Insurance Company Limited - Amanat Fund	17,205,899	3,404,255	11,500,856	9,109,298	156,574	32,000	97,916	82,075
Adamjee Insurance Company Limited - MAZAAF	41,547,236	-	15,639,509	25,907,727	378,080	-	140,400	233,429
Hyundai Nishat Motor Private Limited Employees Provident Fund	167,542	1,446,145	-	1,613,687	1,525	13,000	-	14,539
MCBFSL Trustee Alhamra Smart Portfolio Fund	3,869,444	374,761	1,338,434	2,905,771	35,212	3,327	12,297	26,181
Directors And Key Management Personnel	1,888,402	11,672,181	12,385,438	1,175,145	17,184	106,810	113,488	10,588
Mandate under discretionary portfolio services	5,210,449	32,575,187	19,922,020	17,863,616	47,415	293,083	179,567	160,951

June 30, 2022

	June 30, 2022							
	As at July 01, 2021	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at June 30, 2022	Amount outstanding at July 01, 2021	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2022
	(Number of units)		(Rupees in '000)		(Rupees in '000)			
MCB-Arif Habib Savings and Investment Limited - Management Company	2,164,502	5,359,057	5,611,672	1,911,887	24,437	50,000	50,000	17,749
Group / associated companies / undertakings								
Adamjee Insurance Company Limited - Amanat Fund	17,293,090	2,835,183	2,922,374	17,205,899	195,239	30,500	32,000	156,574
Adamjee Life Assurance Company Limited - IMF	99,292,172	-	26,443,182	72,848,990	1,121,009	-	288,000	662,927
Adamjee Life Assurance Company Limited - Non-Listed Investment Linked Fund	10,803,462	-	10,803,462	-	121,971	-	121,000	-
Adamjee Insurance Company Limited - MAZAAF	30,061,810	20,750,884	9,265,458	41,547,236	339,398	216,000	100,000	378,080
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	462,336	-	-	462,336	5,220	-	-	4,207
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	2,198,349	2,030,807	167,542	-	24,067	19,200	1,525
Nishat Mills Limited	1,121,411	-	-	1,121,411	12,661	-	-	10,205
Asghari Beg Memorial Trust	387,764	-	19,743	368,021	4,378	-	200	3,349
MCBFSL Trustee Alhamra Smart Portfolio Fund	2,681,101	2,991,596	1,803,253	3,869,444	30,270	32,005	18,684	35,212
Directors And Key Management Personnel	1,834,808	13,146,876	13,136,951	1,844,733	20,715	139,064	137,592	16,787
Mandate under discretionary portfolio services	18,086,265	17,206,502	30,249,860	5,042,907	204,194	182,061	262,163	45,891

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:		
MCB - Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	58,464	72,133
Shariah Advisory Fee	710	720
Selling and marketing expenses	33,630	41,492
Allocated expenses	2,587	3,192
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	4,041	4,737
Central Depository Service charges	187	402
Group / associated companies		
MCB Bank Limited		
Bank charges	28	48
MCB Islamic Bank Limited		
Profit on bank balances	1,737	1
D.G. Khan Cement Company Limited		
Purchase 2,146,000 (2022: 1,013,398) shares	113,068	79,137
Sales of 1,146,000 (2022: 1,087,014) shares	61,622	79,897
Dividend Income	600	530
Nishat Mills Limited		
Purchase of 1,033,020 (2022: 1,717,200) shares	63,064	145,586
Sales of 1,418,020 (2022: 882,200) shares	89,262	75,640
Dividend Income	1,000	1,515
16.3 Balances outstanding at year end:		
	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Management Company		
MCB - Arif Habib Savings and Investment Limited - Management Company		
Remuneration payable	4,102	4,181
Sindh sales tax payable on remuneration	533	544
Sales load payable including related taxes	-	5
Shariah advisory fee payable	50	60
Payable against allocated expense	205	209
Payable against marketing and selling expenses	8,479	8,789
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	287	292
Sindh sales tax payable on remuneration	37	38
Security deposit	300	300
Group / associated companies		
MCB Bank Limited		
Bank balance	10,852	5,022
MCB Islamic Bank Limited		
Bank balance	82,548	10
D.G. Khan Cement Company Limited		
1,500,000 shares (2022: 500,000 shares)	76,950	31,250
Nishat Mills Limited		
450,000 shares (2022: 835,000 shares)	25,547	61,715

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.

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

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 Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund'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.

a) 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 interest rate risk.

Interest 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.

June 30, 2023					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial Assets					
Balances with banks	11.43% - 19.75%	96,966	-	23,170	120,136
Investments classified as:					
At fair value through profit or loss					
- Listed equity securities		-	-	2,398,010	2,398,010
Receivable against sale of investments		-	-	21,150	21,150
Profit receivables		-	-	737	737
Deposits and other receivables		-	-	3,008	3,008
		96,966	-	2,446,075	2,543,041
Financial Liabilities					
Payable to the Management Company		-	-	12,836	12,836
Payable to the Trustee		-	-	287	287
Payable against purchase of investments		-	-	24,401	24,401
Accrued and other liabilities		-	-	19,765	19,765
		-	-	57,289	57,289
On-balance sheet gap		96,966	-	2,388,786	2,485,752

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

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

June 30, 2022					
Exposed to yield / interest rate risk					
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	6.60% - 15.51%	124,488	-	17,410	141,898
Investments classified as:					-
At fair value through profit or loss					-
- Listed equity securities		-	-	2,306,876	2,306,876
Receivable against sale of investments		-	-	42,371	42,371
Profit receivables		-	-	2,052	2,052
Deposits and other receivables		-	-	3,694	3,694
		<u>124,488</u>	<u>-</u>	<u>2,372,403</u>	<u>2,496,891</u>
Financial Liabilities					
Payable to the Management Company		-	-	13,245	13,245
Payable to the Trustee		-	-	292	292
Payable against purchase of investments		-	-	27,702	27,702
Accrued and other liabilities		-	-	18,656	18,656
		<u>-</u>	<u>-</u>	<u>59,895</u>	<u>59,895</u>
On-balance sheet gap		<u>124,488</u>	<u>-</u>	<u>2,312,509</u>	<u>2,436,996</u>

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

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.

In case of 5% increase / decrease in KSE 100 index on June 30, 2023, the net assets of the fund would increase / decrease by Rs.0.119 (2022: Rs.0.115) million, as a result of reduction / increase in unrealised gains / (losses).

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	<u>119,901</u>	<u>115,344</u>
Income statement	<u>119,901</u>	<u>115,344</u>

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.

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

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	120,136	120,136	141,898	141,898
Receivable against sale of investments	21,150	21,150	42,371	42,371
Profit receivables	737	737	2,052	2,052
Deposits and other receivables	3,008	3,008	3,694	3,694
	145,031	145,031	190,015	190,015

All deposits with NCCPL and CDC are highly rated and risk of default is considered minimal.

The analysis below summaries the credit rating quality of the Fund's bank balances as at June 30, 2023 and June 30, 2022.

Bank balances by rating category	June 30, 2023		June 30, 2022	
	Rupees in '000'	% -----	Rupees in '000'	% -----
AAA	100,983	84.06%	118,755	70.48%
AA	14,066	11.71%	44,090	26.17%
AA+	4,974	4.14%	4,973	2.95%
AA-	25	0.02%	3	0.00%
A+	72	0.06%	651	0.39%
A-	16	0.01%	6	0.00%
A	-	0.00%	10	0.01%
	120,136	100.00%	168,488	100.00%

Deposits are 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.

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.

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

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.

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	4,102	4,102	-	-
Payable to the Trustee	287	287	-	-
Payable against purchase of investments	24,401	24,401	-	-
Accrued and other liabilities	19,765	19,765	-	-
	48,555	48,555	-	-
	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	4,181	4,181	-	-
Payable to the Trustee	292	292	-	-
Payable against purchase of investments	27,702	27,702	-	-
Accrued and other liabilities	18,656	18,656	-	-
	50,831	50,831	-	-

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	-	120,136	120,136
Investments	2,398,010	-	2,398,010
Receivable against sale of investment		21,150	
Profit receivable	-	737	737
Deposits and other receivables	-	3,008	3,008
	2,398,010	145,031	2,521,891

	June 30, 2023		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to the Management Company	-	12,836	12,836
Payable to the Trustee	-	287	287
Payable against purchase of investments	-	24,401	24,401
Accrued and other liabilities	-	19,765	19,765
	-	57,290	57,290

	June 30, 2022		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) '-----		
Assets			
Balances with banks	-	141,898	141,898
Investments	2,306,876	-	2,306,876
Profit receivable	-	2,052	2,052
Receivable against sale of investment	-	42,371	42,371
Advances, deposits and other receivables	-	3,694	3,694
	2,306,876	190,015	2,496,891

	June 30, 2022		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Liabilities			
Payable to the Management Company	-	13,245	13,245
Payable to the Trustee	-	292	292
Payable against purchase of investments	-	27,702	27,702
Accrued and other liabilities	-	18,656	18,656
	-	59,895	59,895

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.

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

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				
Listed Equity Securities	2,398,010	-	-	2,398,010
June 30, 2022				
At fair value through profit or loss				
Listed Equity Securities	2,306,876	-	-	2,306,876

During the period 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.

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:

	June 30, 2023			
20.1 Pattern of unit holding	Number of unit holders	Number of units held	Investment Amount (Rupees in '000)	Percentage of total investments
Details of pattern of unit holding				
Individuals	2,316	32,295,534	291,081	11.74%
Insurance companies	4	13,734,977	123,794	4.99%
Banks / DFIs	2	310,164	2,796	0.11%
Companies (NBFCs)	2	335,753	3,026	0.12%
Retirement funds	24	42,517,688	383,215	15.46%
Other Companies	14	2,119,249	19,101	0.77%
Associated Companies	7	182,229,231	1,642,443	66.25%
Others	957	1,539,069	13,872	0.56%
	3,326	275,081,665	2,479,328	100.00%

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

June 30, 2022				
	Number of unit holders	Number of units held	Investment Amount (Rupees in '000)	Percentage of total investments
Individuals	2,540	49,529,074	450,661	18.50%
Insurance companies	4	15,267,010	138,913	5.70%
Banks / DFIs	2	310,164	2,822	0.10%
Companies (NBFCs)	2	335,753	3,055	0.10%
Retirement funds	29	53,521,402	486,987	20.00%
Other Companies	18	4,547,897	41,381	1.70%
Associated Companies	9	139,502,766	1,269,323	52.20%
Others	922	4,088,538	37,201	1.50%
	3,526	267,102,604	2,430,343	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:

	June 30, 2023 (Percentage)
1 Intermarket Securities Limited	6.40%
2 Top Line Securities Pvt Limited	5.27%
3 Akik Capital (Private) Limited	5.12%
4 Alfalah CLSA Securities	4.90%
5 Js Global Capital Limited	4.89%
6 Insight Securities Limited	4.85%
7 Ismail Iqbal Securities (Pvt) Limited	4.73%
8 Optimas Capital Management	4.67%
9 Foundation Securities Limited	4.44%
10 Next Capital Limited	4.35%
	June 30, 2022 (Percentage)
1 Arif Habib Limited	7.19%
2 Alfalah CLSA Securities	6.57%
3 Intermarket Securities Limited	5.92%
4 Top Line Securities Pvt Limited	5.42%
5 Efg Hermes Pakistan Limited	5.30%
6 Djm Securities Pvt Limited	4.92%
7 Js Global Capital Limited	4.74%
8 Alfa Adhi Securities (Pvt) Limited	4.02%
9 Akik Capital (Private) Limited	3.99%
10 Next Capital Limited	3.94%

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:

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

S.No	Name of Director	Number of meetings				
		Held	Attendance required	Attended	Leave granted	Meetings not attended
1	Mr. Haroun Rashid	12	12	12	-	-
2	Mr. Nasim Beg*	12	12	12	-	-
3	Mr. Ahmed Jahangir	12	12	12	-	-
4	Mr. Mirza Qamar Beg*	12	12	12	-	-
5	Mr. Syed Savail Meekal Hussain	12	12	10	2	185th and 187th
6	Mr. Kashif A. Habib*	12	12	8	4	180th, 184th, 186th and 187th
7	Ms. Mavra Adil Khan	12	12	9	3	178th, 181st and 182nd
8	Mr. Shoaib Mumtaz**	12	1	1	-	-
9	Mr. Manzar Mushtaq**	12	1	1	-	-
10	Mr. Fahd Kamal Chinoy**	12	1	1	-	-
11	Mr. Muhammad Saqib Saleem	12	12	12	-	-

* These director resigned on May 02, 2023

** These director were appointed on May 02, 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
Muhammad Saqib Saleem	Chief Executive Officer	FCCA, FCA	25.5
Muhammad Asim	Chief Investment Officer	MBA, CFA	20
Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	12
Jawad Naeem	Head of Islamic Equity and Fund Manager	MBA Finance & CFA Level 1	15
Saad Ahmed	Head Of Fixed Income	MBA	17
Syed Abid Ali	Head Of Equities	MBA	15
Usama Iqbal	Fund Manager	Graduate	19

20.5 Other funds managed by the fund manager

Mr. Jawad Naeem is the Manager of the Fund as at year end. He has obtained a Masters degree in Business Administration. Other funds being managed by him are as follows:

- Alhamra Islamic Asset Allocation Fund
- Alhamra Islamic Pension Fund

21 TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 4.55% as on June 30, 2023 (June 30, 2022: 4.51%) and this includes 0.34% (June 30, 2022: 0.30%) representing Government Levy and SECP fee.

22 GENERAL

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

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

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

23 DATE OF AUTHORISATION FOR ISSUE

These financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on July 26, 2023.

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
2035	A. 001-10,000	301,012
831	B. 10,001 – 100,000	2,904,406
378	C. 100,001 – 1000,000	12,180,077
82	D. 1000,001 & Above	259,696,171
<u>3,326</u>		<u>275,081,665</u>

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2023

Performance Information	2023	2022	2021	2020	2019
Total Net Assets Value – Rs. in million	2,479.3278	2,430.3032	3,410.1800	2,746.9741	2,778.7090
Net Assets value per unit – Rupees	9.01	9.1000	11.2900	8.6900	8.6000
Closing Offer Price	9.32	9.4100	11.6700	8.9800	8.8900
Closing Repurchase Price	9.01	9.1000	11.2900	8.4000	8.6000
Highest offer price per unit	9.95	12.1200	12.1200	11.1900	11.3500
Lowest offer price per unit	8.36	9.1800	9.1500	6.8900	8.5900
Highest Redemption price per unit	9.62	11.7200	11.7200	10.8200	11.1000
Lowest Redemption price per unit	8.09	8.8800	8.8500	6.6600	8.3100
Distribution per unit – Rs. *	-	-	-	0.1168	-
Average Annual Return - %					
One year	(0.99)	(19.40)	29.92	2.36	(20.22)
Two year	(10.20)	5.26	16.14	(8.93)	(16.11)
Three year	3.18	4.29	4.02	(9.95)	(0.75)
Net Income for the year – Rs. in million	(20.1499)	(657.2082)	831.8390	41.0940	(641.3180)
Distribution made during the year – Rs. in million	-	-	-	34.7680	
Accumulated Capital Growth – Rs. in million	(20.1499)	(657.2082)	831.8390	6.3260	(641.3180)

* Date of Distribution

2023	
Date	Rate

Nil

2022	
Date	Rate

Nil

2021	
Date	Rate

Nil

2020	
Date	Rate

July 03, 2020 0.1168

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 Alhamra Islamic Stock Fund – ALHISF) 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 ALHISF participated in seven (7) 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	36	34	2	0	-
(%ages)	100	94	6	0	-

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

MCB INVESTMENT MANAGEMENT LIMITED
(Formerly: MCB Arif Habib Savings and Investments Limited)
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