



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 MONEY MARKET FUND

Note - Change in Name

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

نوٹ: نام کی تبدیلی

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

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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	Digital Custodian Company Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
Bankers	MCB Bank Limited Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited	National Bank Limited Askari Bank Limited Habib Bank Limited Bank Al Habib Limited Bank Al Falah Limited
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 Money Market Fund** accounts review for the year ended June 30, 2023.

ECONOMY AND MONEY MARKET REVIEW

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

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

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

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

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

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

FUND PERFORMANCE

During the period under review, the fund posted a return of 16.97% compared to the benchmark return of 6.23%. In addition, the fund's exposure in Cash stood at 74.4%, 8.7% in Shariah Complaint Placement with Banks & DFIs, and 9.0% in Shariah Complaint Bank Deposits as at June 30, 2023. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 25,505 million as compared to Rs. 11,894 million as at June 30, 2022 registering an increase of 114.44%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 99.5100 as compared to Rs. 99.5100 at June 30, 2022 as well.

**Converted into Islamic money market fund from 21st Aug 2020.*

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.

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

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.

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.

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

CORPORATE GOVERNANCE

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

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

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. 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.;

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

- 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;
- 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:

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

	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	-

* Resigned on May 02, 2023.

- n. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1.	Muhammad Saqib Saleem	Chief Executive Officer	60,295.45	71,519.18	188.28
2.	Muhammad Asif Mehdi Rizvi	Chief Operating & Financial Officer	29,016	24,000	32.93
3.	Altaf Ahmed Faisal	Company Secretary	122,175.39	122,742.14	2,013.43
4.	Mobin Ahmed Siddiqui	Chief Internal Auditor	103,107.73	92,114.22	3,224.84

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. BDO Ebrahim & 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. BDO Ebrahim & 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

5	5	5	5	5- سید سادیل میکان حسین
5	5	5	5	6- جناب محمد ثاقب سلیم (سی ای او)

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

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

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
			(یونٹس کی تعداد)		
1.	محمد ثاقب سلیم	چیف ایگزیکٹو آفیسر	60,295.45	71,519.18	188.28
2.	محمد آصف مہدی رضوی	چیف آپریٹنگ اینڈ فنانس انشل آفیسر	29,016	24,000	32.93
3.	الطاف احمد فیصل	کمپنی سیکرٹری	122,175.39	122,742.14	2,013.43
4.	مبین احمد صدیقی	چیف انٹرنل آڈیٹر	103,107.73	92,114.22	3,224.84

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز انٹرنل اینڈ یگ فورڈ چارٹرڈ اکاؤنٹنٹس 30 جون 2023 کو ختم ہونے والے مالی سال کا آڈٹ مکمل کرنے کے بعد ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے بی ڈی او ابراہیم 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۔ بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے خارجی آڈیٹرز کے طور پر کام کرنے پر آمادگی کا اظہار کیا ہے

اظہار تھکر

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

من جانب ڈائریکٹرز،

Manzar Mushtaq

منظر مشتاق
ڈائریکٹر

محمد ثاقب سلیم

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ

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 ریکی 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 محترمہ 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:

میٹنگز کی تعداد		میٹنگز کی تعداد		
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ میٹنگز کی تعداد	نام
-	8	8	8	1۔ مرزا محمد قمر بیگ (چیرمین)*
1	7	8	8	2۔ جناب نسیم بیگ *
-	8	8	8	3۔ جناب احمد جہانگیر
2	6	8	8	4۔ جناب کاشف اے حبیب *
3	5	3	8	5۔ سید سادیل میکان حسین

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

2. ہیومن ریسورس اینڈ ریویژن کمیٹی کی میٹنگ

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

میٹنگز کی تعداد		میٹنگز کی تعداد		
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ میٹنگز کی تعداد	نام
-	5	5	5	1۔ جناب مرزا قمر بیگ* (چیرمین)
-	5	5	5	2۔ جناب احمد جہانگیر
-	5	5	5	3۔ جناب نسیم بیگ *
3	2	5	5	4۔ محترمہ ماوراء عادل خان

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3.	جناب احمد جہانگیر	غیر ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی اور ایچ آر اینڈ آر * کمیٹی
4.	جناب منظر مشتاق	غیر ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	جناب سید ساویل میکان حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئر مین)
6.	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی (چیئر مین)
7.	محترمہ ماوراء عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی
8.	جناب محمد ثاقب سلیم	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر * کمیٹی

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

انتظامیہ بہترین طریقوں کے حوالے سے کارپوریٹ گورننس کے ضابطہ 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 صورت حال، 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 بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) 2003ء کی، Non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ انسٹیشنز ریگولیشنز 2008ء کی، متعلقہ ٹرسٹ ڈیڈز کی ضروریات اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛

e. انٹرنل کنٹرول یعنی اندرونی جانچ پڑتال کا نظام مستحکم خطوط پر استوار اور موثر انداز میں نافذ کیا گیا ہے اور اس کی موثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں؛

f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کسی قسم کے کوئی شبہات نہیں ہیں؛

g. لسٹنگ ریگولیشنز میں واضح کردہ کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛

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

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

ڈائریکٹرز رپورٹ

میوہل 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 ایکوٹی 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۔

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 تبدیلی نام کی رسمی درخواست سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کو منظوری کے لیے بھیج دی گئی ہے۔

کارپوریٹ گورننس

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

- * چار (4) غیر ایگزیکٹو ڈائریکٹرز
- * تین (3) خود مختار ڈائریکٹرز
- * ایک (1) ایگزیکٹو ڈائریکٹر (CEO)

مندرجہ بالا کی تفصیلات درج ذیل ہیں:

نمبر شمار	نام	عہدہ	دیگر بورڈ کمیشنوں میں رکنیت
1.	جناب ہارون رشید	غیر ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب شعیب ممتاز	غیر ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر * کمپنی

ڈائریکٹرز رپورٹ

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 پروگرام کی بحالی سے پاکستان کو ورلڈ بینک اور دیگر کثیرالاجتی 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 المیعاد 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 کی 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 متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

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

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈینا 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 دورانِ مالی سال 2023ء 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۔

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 ماحاصل میں کمی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس حصولی مالی سال 2023ء میں 16.4 فیصد بڑھ کر 7,154 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 6,149 بلین روپے، لیکن 486 بلین روپے کے ہدف تک نہ پہنچ سکی۔

ٹانومی مارکیٹوں کی پیداوار میں مالی سال 2023ء میں اضافہ ہوا جس کے اسباب مالیاتی سختی اور روپے کی قدر میں خطیر کمی کے بعد مہنگائی کے دباؤ کی نئی لہر ہیں۔ 3، 6 اور 12 ماہانہ ٹی۔ 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۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا منافع 16.97 فیصد تھا، بالمقابل مقررہ معیار (بچ مارک) 6.23 فیصد منافع کے۔ مزید برآں، 30 جون 2023ء کو فنڈ کی سرمایہ کاری نقد میں 74.4 فیصد، بینکوں اور DFIs کے ساتھ شریعہ کمپلائنٹ پلیسمنٹس میں 8.7 فیصد، اور شریعہ کمپلائنٹ بینک ڈپازٹس میں 9.0 فیصد تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 25,505 ملین روپے تھے، جو 30 جون 2022ء کی سطح 11,894 ملین روپے کے مقابلے میں 114.44 فیصد کا اضافہ ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) ٹی یونٹ 99.5100 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی ٹی یونٹ کے برابر ہے۔

* 21 اگست 2020ء سے اسلامک منی مارکیٹ فنڈ میں تبدیلی کر دیا گیا

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 آگریمنٹ (SBA) کے تحت 3 بلین ڈالر فراہم کیے جائیں گے۔ یہ پروگرام نومبر 2023ء اور فروری 2024ء کی منظوری سے 1.2 بلین ڈالر فروری 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 ادائیگیوں کے توازن کے سنگین بحران سے نبرد آزما ہے۔ آئی ایم ایف پروگرام کی کامیاب بحالی سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں مدد ملے گی جس کی بدولت زر مبادلہ کے ذخائر بھی بحال ہوں گے۔ سعودی عرب نے 2 بلین ڈالر 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

بورڈ آف ڈائریکٹرز کی جانب سے الحراء اسلامک منی مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سال مُختتمہ 30 جون 2023ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

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

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

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

ملک کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2023ء کے پہلے گیارہ ماہ میں 2.9 بلین ڈالر تھا، جبکہ گزشتہ سال مماثل 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 (اسنگلنگ) میں اضافہ ہوا جس کے باعث ترسیلات زر مشتبہ ذرائع کی طرف مائل ہو گئیں۔ علاوہ ازیں، درآمدات پر مضبوط لگام کے نتیجے میں متعدد صنعتوں میں کمی واقع ہوئی اور مجموعی معاشی ترقی متاثر ہوئی۔

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

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

Fund Type and Category

Alhamra Islamic Money Market Fund is an Open-End Islamic Money Market Scheme.

Fund Benchmark

The benchmark for ALHIMMF is three (3) months' average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

Investment Objective

Alhamra Islamic Money Market Fund is an Islamic money market fund and its objective is to provide a reasonable rate of return with a maximum possible capital preservation by investing primarily in liquid Shariah Compliant money market securities.

Investment Strategy

Alhamra Islamic Money Market Fund is an Open-ended Shariah Compliant Money Market Scheme which primarily invests in Shariah Compliant Authorized Investments. The Fund is subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time.

Manager's Review

During the period under review, the fund posted a return of 16.97% compared to the benchmark return of 6.23%. The fund's exposure in Cash was 74.4% at the end of the period.

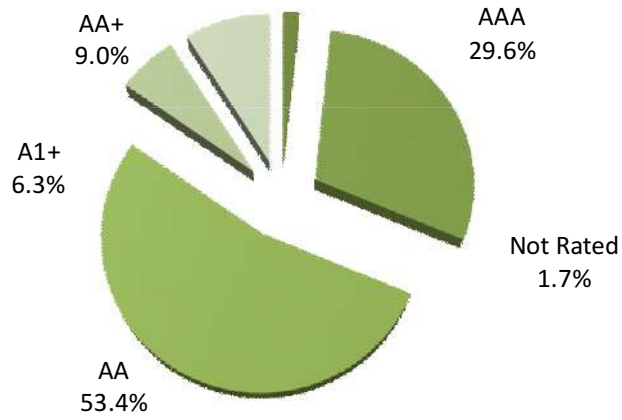
The Net Assets of the Fund as at June 30, 2023 stood at Rs. 25,505 million as compared to Rs. 11,894 million at June 30, 2022. The Net Asset Value (NAV) per unit as at June 30, 2023 was 99.5100.

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

Asset Allocation (%age of Total Assets)	Jun-23
Cash	74.4%
Other including receivables	1.7%
Shariah Compliant Bank Deposits	9.0%
Short term Sukuks	2.3%
Shariah Compliant Commercial Papers	0.0%
Shariah Compliant Placement with Banks & DFIs	8.7%
Certificate of Musharika	3.9%

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

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



Syed Muhammad Usama Iqbal
Fund Manager

TRUSTEE REPORT TO THE UNIT HOLDERS



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

AL HAMRA ISLAMIC MONEY MARKET FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Al Hamra Islamic Money Market Fund an open-ended scheme and has been constituted by a Trust Deed entered into at Karachi on dated 22 July, 2015, as amended through the modified and restated First Supplemental Trust Deed dated July 17, 2020 between MCB Investment Management limited formerly MCB Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Company Limited as Trustee.

- I. MCB Investment Management Limited formerly MCB Arif Habib Savings and Investments Limited, the Management Company of Al Hamra Islamic Money Market Fund has, in all material respects, managed Al Hamra Islamic Money Market Fund during the year ended June 30, 2023 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: September 6, 2023

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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alhamra Islamic Money Market Fund

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Existence and valuation of bank balances and investments	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the bank balances and investments (comprised of debt instruments) held by the Fund represent 98.39% 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.

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.

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 3 :-

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



-: 4 :-

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants

Date: 22 September 2023

Place: Karachi

UDIN Number: AR202310076fxiVED5Gh

REPORT OF THE SHARIAH ADVISORY BOARD

Karachi: September 16, 2023

REPORT OF THE SHARIAH ADVISORY BOARD

Alhamdulillah, We the Shariah Advisory Board of the Fund, are issuing this report in accordance with the Offering document of Alhamra Islamic Money Market Fund (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 ALHIMMF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHIMMF 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 ALHIMMF for the year ended June 30, 2023 have been in compliance with Shariah principles.

During the year an amount of Rupees 2,297,420 was transferred to charity account. The total amount of charity payable as at 30 June 2022 amounts to Rs. 2,297,420.

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**

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
ASSETS			
Bank balances	5	19,015,578	10,688,556
Investments	6	6,140,000	1,078,000
Profit receivable on bank balances and investments	7	407,789	186,524
Advances, deposits and prepayments	8	2,895	1,387
Total assets		25,566,262	11,954,467
LIABILITIES			
Payable to Management Company	9	27,092	3,249
Payable to Trustee	10	1,420	746
Payable to the Securities and Exchange Commission of Pakistan	11	5,022	2,789
Dividend payable		19,635	4,250
Accrued expenses and other liabilities	12	8,331	49,212
Total liabilities		61,500	60,246
NET ASSETS		25,504,762	11,894,221
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		25,504,762	11,894,221
CONTINGENCIES AND COMMITMENTS	13		
		----- (Number of Units) -----	
NUMBER OF UNITS IN ISSUE		256,303,511	119,527,899
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		99.5100	99.5100

The annexed notes 1 to 27 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

		June 30, 2023	June 30, 2022
	Note	----- (Rupees in '000) -----	
INCOME			
Return on investments	14	1,144,091	333,416
Loss on sale of investments classified as 'at fair value through profit or loss' - net		(91)	(70)
Profit on bank balances		3,010,564	973,667
Other income		3,287	-
Total income		4,157,851	1,307,013
EXPENSES			
Remuneration of the Management Company	9.1	113,992	21,851
Sindh Sales Tax on remuneration of the Management Company	9.2	14,819	2,839
Remuneration of the Trustee	10.1	16,317	8,122
Sindh Sales Tax on remuneration of the Trustee	10.2	2,121	1,056
Allocated expenses	9.3	2,800	176
Selling and marketing expenses	9.4	30,840	4,444
Annual fee of Securities and Exchange Commission of Pakistan	11	5,022	2,700
Auditors' remuneration	15	765	571
Charity expense	16	-	760
Legal and professional charges		170	546
Settlement and bank charges		4,907	1,642
Shahriah fee		710	698
Fees and subscriptions		141	296
Printing and related costs		55	53
Total expenses		192,659	45,754
Net income for the year from operations		3,965,192	1,261,259
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)		-	10,909
Net income for the year before taxation		3,965,192	1,272,168
Taxation	17	-	-
Net income for the year		3,965,192	1,272,168
Allocation of net income for the period after taxation			
Net income for the year		3,965,192	1,272,168
Income already paid on units redeemed		-	-
		3,965,192	1,272,168
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		3,965,192	1,272,168
		3,965,192	1,272,168

The annexed notes 1 to 27 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 income for the year	3,965,192	1,272,168
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>3,965,192</u>	<u>1,272,168</u>

The annexed notes 1 to 27 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	Total	Capital Value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the year	11,889,529	4,692	11,894,221	15,252,938	4,692	15,257,630
Issue of 977,860,634 units (2022: 201,801,027 units)						
- Capital value	97,306,912	-	97,306,912	20,081,220	-	20,081,220
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	97,306,912	-	97,306,912	20,081,220	-	20,081,220
Redemption of 841,085,022 units (2022: 235,600,736 units)						
- Capital value	(83,696,371)	-	(83,696,371)	(23,444,629)	-	(23,444,629)
- Amount paid out of element of income	-	-	-	-	-	-
Total payments on redemption of units	(83,696,371)	-	(83,696,371)	(23,444,629)	-	(23,444,629)
Total comprehensive income for the year	-	3,965,192	3,965,192	-	1,272,168	1,272,168
Distribution made during the year (Note 19)	-	(3,965,192)	(3,965,192)	-	(1,272,168)	(1,272,168)
Net (loss) / income for the year less distribution	-	-	-	-	-	-
Net assets as at the end of the year	25,500,070	4,692	25,504,762	11,889,529	4,692	11,894,221
Undistributed income brought forward						
- Realized income at the beginning of the year		4,692			4,692	
- Unrealized income at the beginning of the year		-			-	
		4,692			4,692	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Relating to other than capital gains		3,965,192			1,272,168	
		3,965,192			1,272,168	
Distributions during the year		(3,965,192)			(1,272,168)	
Undistributed income carried forward		4,692			4,692	
Undistributed income carried forward						
- Realised		4,692			4,692	
- Unrealised		-			-	
		4,692			4,692	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		99.5100			99.5100	
Net assets value per unit at end of the year		99.5100			99.5100	

The annexed notes 1 to 27 form an integral part of these financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	3,965,192	1,272,168
Adjustments for non cash and other items:		
Profit on investment and bank balances	(4,154,655)	(1,307,083)
Loss on sale of investments classified as 'at fair value through profit or loss' - net	91	70
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	-	10,909
	<u>(189,372)</u>	<u>(23,936)</u>
Decrease / (increase) in assets		
Investments	(2,752,091)	7,044,622
Advances, deposits and prepayments	(1,508)	2,828
Receivable from Management Company	-	1,844
	<u>(2,753,599)</u>	<u>7,049,294</u>
(Decrease) / increase in liabilities		
Payable to Management Company	23,843	3,189
Payable to Trustee	674	(72)
Payable to the Securities and Exchange Commission of Pakistan	2,233	1,578
Dividend payable	15,385	(783)
Accrued expenses and other liabilities	(40,881)	17,631
	<u>1,254</u>	<u>21,543</u>
Profit received on bank balances	3,933,390	1,184,720
Net cash (used) / generated from in operating activities	<u>991,673</u>	<u>8,231,621</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	97,306,912	20,081,220
Amount paid on redemption of units	(83,696,371)	(23,444,629)
Distribution during the year	(3,965,192)	(1,272,168)
Net cash inflow / (outflow) from financing activities	<u>9,645,349</u>	<u>(4,635,577)</u>
Net increase in cash and cash equivalents during the year	<u>10,637,022</u>	<u>3,596,044</u>
Cash and cash equivalents at the beginning of the year	10,688,556	7,092,512
Cash and cash equivalents at the end of the year	<u>21,325,578</u>	<u>10,688,556</u>

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The annexed notes 1 to 27 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 Money Market Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. MCB Arif Habib Savings and Investments Limited is the Management Company of the Fund, and Digital Custodian Company Limited is the Trustee. The Trust Deed was executed on July 22, 2015 (modified and restated on July 17, 2020 for changing the name and category of the fund) and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 16, 2015. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

1.3 The Fund was an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 06, 2009 issued by the SECP. Securities and Exchange Commission of Pakistan (SECP) vide its letter # SCD / AMCW / MCBAHSIL / MCBPFPF /03/2020 dated July 14, 2020, has approved the conversion of MCB Pakistan Frequent Payout Fund renamed as Alhamra Islamic Money Market Fund from Asset Allocation Scheme to Islamic Money Market Scheme. The Fund was converted from forward pricing fund to backward pricing fund and NAV of August 20, 2020 is applicable NAV of August 21, 2020. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

1.4 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 situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

1.5 The title to the assets of the Fund is held in the name of Digital Custodian Company Limited as the Trustee of the Fund.

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

- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 06, 2022 of the Management Company and stability rating of AA+(f) 17 August 2022 dated to 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
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the 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 certain 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:

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

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

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

Amendments to approved accounting standards

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

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

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

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

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.

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

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

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 Financial assets

4.3.1 Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI 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

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

- 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
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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

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

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

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

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

In contrast, contractual terms that introduce a more than 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.

4.3.2 Initial Measurement

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

Subsequent Measurement

Debt instruments at amortised cost

After initial measurement, such debt instruments are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

Debt instruments at fair value through 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.

Debt instruments at fair value through other comprehensive income

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

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

4.3.3 Impairment

IFRS 9 requires an expected credit loss model which 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 have been followed.

4.3.4 Derecognition

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

4.3.5 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.3.6 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.

4.4 Financial Liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognized at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.5 Expenses

All expenses, including management fee, trustee fee and annual SECP fee are recognized in the income statement on accrual basis.

4.6 Preliminary expenses and flotation costs

Preliminary expenses and flotation costs (formation costs) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to bankers to the issue, brokerage paid to the members of stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirement set out in the Trust Deed of the Fund and NBFC regulations.

4.7 Provisions

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

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

4.8 Taxation

Current

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. 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.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is no longer probable that the related tax benefit will be realized. However, the Fund has not recognized any amount in respect of deferred tax in these financial statements as the Fund and intends to continue availing the tax exemption in future years as well by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealised, to its unit holders every year.

4.9 Earnings per unit

Earnings 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.

4.10 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on 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.

4.11 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.12 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the funds/cash received in Bank during business hours, as of the close of the previous day on which the funds/cash were received in the Bank. The offer price represents the net asset value per unit as of the close of the previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net asset value per unit as of the close of the previous day on which applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.13 Revenue

- Realized gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income on government securities is recognised on a time proportion basis using effective interest rate method.

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

- Income on debt securities is recognised on an time proportion basis.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank balances and on investments is recognised on an accrual basis at effective interest rates. Premium or discount on acquisition of investments is amortised through the income statement over the remaining period till maturity using effective interest method.

4.14 Dividend distributions and appropriations

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

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

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

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

4.16 Cash and cash equivalents

Cash and cash equivalents comprise of current and saving accounts maintained with banks. Cash equivalents are short term highly liquid investments that 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.

		June 30 2023	June 30 2022
	Note	----- (Rupees in '000) -----	
5. BANK BALANCES			
Current account		1,000,350	36
Savings accounts	5.1	<u>18,015,228</u>	<u>10,688,520</u>
		<u>19,015,578</u>	<u>10,688,556</u>

- 5.1** These carry profit rates ranging from 12.52% to 20.50% (June 30, 2022: 6.60% to 15.51%) per annum. These balances include Rs.40.40 million (June 30, 2022: Rs.12.825 million) maintained with MCB Bank Limited (a related party) . The savings accounts are held with Islamic Banks / Islamic window of the conventional bank.

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

6

INVESTMENTS

At fair value through profit or loss

	June 30, 2023	June 30, 2022
Sukuk certificates - unlisted	600,000	1,078,000
At amortised cost		
Bai Muajjal	2,230,000	-
Term Deposit Receipts	2,310,000	-
Musharakah Certificate	1,000,000	-
Total	6,140,000	1,078,000

Note

6.1
6.2.1
6.2.2
6.2.3

6.1 Financial assets 'at fair value through profit or loss'

Sukuk Certificates - Unlisted

Name of investee company	Note	As at July 01, 2022	Purchased during the period	Disposed / matured during the period	As at June 30, 2023	As at June 30, 2023			Investment as a percentage of total issue size
						Carrying value	Market value	Unrealised appreciation/ (diminution)	
Hubco Sukuk (27 Apr 2022)		518	518	1,036	-	-	-	-	-
K Electric Sis - (13 Oct 2022)		-	800	800	-	-	-	-	-
K Electric Sis (10 Feb 2023)		-	304	304	-	-	-	-	-
K Electric Sis (10-Aug-2022)		-	3,750	3,750	-	-	-	-	-
K Electric Sis (13 Dec 2022)		-	8,720	8,720	-	-	-	-	-
K Electric Sukuk (27 Apr 2022)		560	1,120	1,680	-	-	-	-	-
K-Electric - Sis (10 Aug 2022)		-	3,000	3,000	-	-	-	-	-
K-Electric - Sis (29 Aug 2022)		-	7,500	7,500	-	-	-	-	-
Lucky Elec Sis (28 Sep 2022)		-	562	562	-	-	-	-	-
Lucky Electric - Sis (07 Jul 2022)		-	2,250	2,250	-	-	-	-	-
Lucky Electric Sis (15-June-2022)		-	2,000	2,000	-	-	-	-	-
Lucky Sis - (13-Oct-2022)		-	8,888	8,888	-	-	-	-	-
Nishat Mills-Sukuk - (01-Nov-2022)		-	1,125	1,125	-	-	-	-	-
Nishat Mills-Sukuk - (09-May-2023)	6.1.1	-	600	-	600	600,000	-	-	55.66%
Total as at June 30, 2023					600,000	600,000	-	2.35%	9.77%
Total as at June 30, 2022					1,078,000	1,078,000	-	2.35%	9.77%

Face value of these sukuk certificates is Rs.1,000,000 per certificate.

6.1.1 The terms and conditions of sukuk certificates outstanding as at June 30, 2023 are as follows:

Name of investee company	Rating	Tenure	Profit payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Nishat Mills Limited-Sukuk	AA	6 Months	On maturity	Unsecured	9-May-23	9-Nov-23	3 months KIBOR + 0.25%

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

6.2 Financial assets at amortised cost

6.2.1 Bai Muajjal

	Name of the investee company	Rate of return per annum	Maturity	As at July 01, 2022	Purchased during the period	Matured / Sold during the period	As at June 30, 2023	As percentage of net assets	As percentage of total investments
					(Rupees in '000)				%
	Pak Kuwait Investment Company (Pvt) Limited	14.85%	14-Nov-22	-	554,002	554,002	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	14.85%	14-Nov-22	-	598,663	598,663	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	14.85%	28-Nov-22	-	599,814	599,814	-	-	-
	Meezan Bank Limited	15.00%	19-Oct-22	-	2,425,000	2,425,000	-	-	-
	Meezan Bank Limited	15.00%	20-Oct-22	-	2,425,000	2,425,000	-	-	-
	Meezan Bank Limited	14.85%	21-Oct-22	-	2,425,000	2,425,000	-	-	-
	Meezan Bank Limited	14.85%	25-Oct-22	-	2,450,000	2,450,000	-	-	-
	Pak Oman Investment Company Limited	14.90%	05-Dec-22	-	796,714	796,714	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	14.85%	05-Dec-22	-	265,571	265,571	-	-	-
	SAMBA BANK LIMITED	15.00%	05-Dec-22	-	466,791	466,791	-	-	-
	SAMBA BANK LIMITED	15.00%	05-Dec-22	-	311,194	311,194	-	-	-
	Meezan Bank Limited	15.40%	16-Dec-22	-	1,100,000	1,100,000	-	-	-
	Meezan Bank Limited	15.45%	13-Jan-23	-	1,500,000	1,500,000	-	-	-
	SAMBA BANK LIMITED	15.80%	06-Feb-23	-	481,670	481,670	-	-	-
	SAMBA BANK LIMITED	15.80%	06-Feb-23	-	488,513	488,513	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	15.75%	09-Feb-23	-	803,845	803,845	-	-	-
	Pak Oman Investment Company Limited	16.55%	03-Mar-23	-	804,222	804,222	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	16.50%	06-Mar-23	-	810,222	810,222	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	16.50%	06-Mar-23	-	804,950	804,950	-	-	-
	SAMBA BANK LIMITED	16.60%	10-Mar-23	-	420,805	420,805	-	-	-
	SAMBA BANK LIMITED	16.60%	10-Mar-23	-	420,805	420,805	-	-	-
	Pak Brunei Investment Company Limited	16.40%	17-Mar-23	-	842,788	842,788	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	16.50%	10-Mar-23	-	696,638	696,638	-	-	-
	Meezan Bank Limited	19.50%	20-Mar-23	-	3,350,000	3,350,000	-	-	-
	Pak Oman Investment Company Limited	19.50%	07-Apr-23	-	782,484	782,484	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	19.40%	07-Apr-23	-	424,847	424,847	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	19.40%	07-Apr-23	-	304,010	304,010	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	19.40%	07-Apr-23	-	789,619	789,619	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	19.40%	07-Apr-23	-	304,152	304,152	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	19.40%	07-Apr-23	-	425,057	425,057	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	19.40%	07-Apr-23	-	790,080	790,080	-	-	-
	Faysal Bank Limited	18.00%	07-Apr-23	-	2,635,000	2,635,000	-	-	-
	Meezan Bank Limited	19.40%	22-Mar-23	-	2,700,000	2,700,000	-	-	-
	Pak Brunei Investment Company Limited	19.10%	10-Apr-23	-	863,879	863,879	-	-	-
	Pak Brunei Investment Company Limited	19.10%	10-Apr-23	-	157,580	157,580	-	-	-
	Meezan Bank Limited	19.40%	07-Apr-23	-	2,930,000	2,930,000	-	-	-
	Meezan Bank Limited	20.40%	10-May-23	-	795,632	795,632	-	-	-
	Meezan Bank Limited	20.00%	12-Apr-23	-	3,650,000	3,650,000	-	-	-
	Pak Brunei Investment Company Limited	20.40%	26-May-23	-	872,316	872,316	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	20.40%	11-May-23	-	804,822	804,822	-	-	-
	Meezan Bank Limited	20.05%	26-Apr-23	-	2,870,000	2,870,000	-	-	-
	Meezan Bank Limited	20.10%	05-Jun-23	-	2,590,000	2,590,000	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	20.40%	13-Jun-23	-	814,496	814,496	-	-	-
	Pak Oman Investment Company Limited	20.30%	13-Jun-23	-	804,740	804,740	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	20.30%	15-Jun-23	-	828,316	828,316	-	-	-
	Pak Kuwait Investment Company (Pvt) Limited	20.30%	15-Jun-23	-	325,328	325,328	-	-	-
	UBL Ameen Islamic Banking	20.35%	21-Jul-23	-	2,230,000	-	2,230,000	0.01%	0.04%
	Total as at June 30, 2023			-	55,534,565	53,304,565	2,230,000	0.01%	
	Total as at June 30, 2022			-	-	-	-	-	-

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

6.2.2 Term Deposit Receipts

Name of the investee company	Rate of return per annum	Maturity	Rating	As at July 01, 2022	Purchased during the period (Rupees in '000')	Face value Maturated / Sold during the period	As at June 30, 2023	As percentage of net assets	As percentage of total investments
Meezan Bank Limited	14.15%	August 19, 2022	AAA	-	1,775,000	1,775,000	-	-	-
Askari Bank Limited	14.25%	August 26, 2022	AA+	-	100,000	100,000	-	-	-
Askari Bank Limited	14.25%	August 26, 2022	AA+	-	500,000	500,000	-	-	-
Meezan Bank Limited	14.15%	August 25, 2022	AAA	-	700,000	700,000	-	-	-
Meezan Bank Limited	14.15%	August 26, 2022	AAA	-	1,650,000	1,650,000	-	-	-
Meezan Bank Limited	14.15%	September 1, 2022	AAA	-	1,500,000	1,500,000	-	-	-
Askari Bank Limited	15.15%	December 1, 2022	AA+	-	1,000,000	1,000,000	-	-	-
Askari Bank Limited	15.15%	December 1, 2022	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	15.15%	December 1, 2022	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	15.15%	December 1, 2022	AA+	-	325,000	325,000	-	-	-
Askari Bank Limited	16.00%	January 3, 2023	AA+	-	1,000,000	1,000,000	-	-	-
Askari Bank Limited	16.00%	January 3, 2023	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	16.00%	January 3, 2023	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	16.00%	January 3, 2023	AA+	-	325,000	325,000	-	-	-
Askari Bank Limited	16.00%	January 3, 2023	AA+	-	175,000	175,000	-	-	-
Bank AIFalah Limited	16.00%	March 7, 2023	AA+	-	400,000	400,000	-	-	-
Bank AIFalah Limited	16.00%	March 7, 2023	AA+	-	600,000	600,000	-	-	-
Bank AIFalah Limited	16.00%	March 7, 2023	AA+	-	400,000	400,000	-	-	-
Askari Bank Limited	15.00%	February 3, 2023	AA+	-	1,000,000	1,000,000	-	-	-
Askari Bank Limited	15.00%	February 3, 2023	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	15.00%	February 3, 2023	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	15.00%	February 3, 2023	AA+	-	1,000,000	1,000,000	-	-	-
Bank AIFalah Limited	16.15%	March 3, 2023	AA+	-	1,000,000	1,000,000	-	-	-
Askari Bank Limited	15.95%	March 6, 2023	AA+	-	575,000	575,000	-	-	-
Askari Bank Limited	15.95%	March 6, 2023	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	15.95%	March 6, 2023	AA+	-	500,000	500,000	-	-	-
Askari Bank Limited	15.95%	March 6, 2023	AA+	-	500,000	500,000	-	-	-
Bank AIFalah Limited	16.00%	March 3, 2023	AA+	-	1,500,000	1,500,000	-	-	-
Bank AIFalah Limited	18.05%	April 10, 2023	AA+	-	3,325,000	3,325,000	-	-	-
Bank AIFalah Limited	18.05%	April 27, 2023	AA+	-	2,950,000	2,950,000	-	-	-
Bank AIFalah Limited	19.50%	May 10, 2023	AA+	-	2,950,000	2,950,000	-	-	-
Bank AIFalah Limited	19.90%	June 12, 2023	AA+	-	2,600,000	2,600,000	-	-	-
Bank AIFalah Limited	20.60%	September 14, 2023	AA+	-	2,310,000	2,600,000	2,310,000	0.01%	0.04%
Total as at June 30, 2023				-	34,160,000	31,850,000	2,310,000	0.01%	0.04%

Total as at June 30, 2022

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

6.2.3 Musharaka Certificate

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value			As percentage of net assets	As percentage of total investments
				As at July 01, 2022	Purchased during the period (Rupees in '000')	Matured / Sold during the period		
First Habib Modaraba	15.300%	January 25, 2023	AAA	-	500,000	500,000	-	-
First Habib Modaraba	15.400%	January 31, 2023	AAA	-	500,000	500,000	-	-
Meezan Bank Limited	15.500%	February 3, 2023	AA+	-	975,000	975,000	-	-
Meezan Bank Limited	15.400%	February 3, 2023	AA+	-	2,000,000	2,000,000	-	-
First Habib Modaraba	17.000%	March 20, 2023	AAA	-	500,000	500,000	-	-
First Habib Modaraba	17.000%	March 20, 2023	AAA	-	500,000	500,000	-	-
Meezan Bank Limited	16.500%	March 3, 2023	AA+	-	2,575,000	2,575,000	-	-
First Habib Modaraba	20.500%	May 17, 2023	AAA	-	500,000	500,000	-	-
First Habib Modaraba	20.500%	June 2, 2023	AAA	-	500,000	500,000	-	-
First Habib Modaraba	20.750%	June 15, 2023	AAA	-	1,000,000	1,000,000	-	-
First Habib Modaraba	21.000%	July 17, 2023	AAA	-	1,000,000	-	1,000,000	0.004%
Total as at June 30, 2023				-	10,550,000	9,550,000	1,000,000	0.004%
Total as at June 30, 2022				-	-	-	-	0.02%

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

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
7. PROFIT RECEIVABLES ON BANK BALANCES AND INVESTMENTS			
Savings accounts		344,559	157,636
Sukuks certificates		19,428	28,888
Return on term deposit receipts		22,163	-
Return on Musharaka		9,205	-
Return on Bai Muajjal		12,434	-
		407,789	186,524

8. ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with Central Depository Company of Pakistan Limited (CDC)	8.1	100	100
Advance tax and other receivables	8.2	2,795	1,287
		2,895	1,387

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

8.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. The amount of withholding tax deducted on profit on bank deposits has been shown as advance tax as at 30 June 2023, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
9. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	9.1	10,946	2,004
Sindh Sales Tax payable on management remuneration	9.2	1,423	261
Payable against allocated expenses	9.3	-	34
Payable against selling and marketing expenses	9.4	14,561	890
Shahriah fee payable		50	60
Sales load payable		112	-
		27,092	3,249

9.1 As per the offering document, the Management Company has charged management fee at the rate of up to 15% (2022: 15%) of the gross earnings of the scheme, calculated on a daily basis.

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

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

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS) as per SECP vide SRO 639 dated June 20, 2019. The Management Company has charged allocated expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

9.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
10. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE			
Remuneration payable	10.1	1,255	660
Sindh Sales Tax payable on remuneration payable	10.2	163	86
CDC charges		2	-
		1,420	746

10.1 The Trustee, Digital Custodian Company Limited (formerly MCB Financial Services Limited), a related party is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is 0.065% of average daily Net Assets.

10.2 Sales tax is charged at the rate of 13% (2022: 13%) on trustee remuneration.

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

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (June 30, 2022: 0.02%) of the average daily net assets of the Fund.

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable against Federal Excise Duty:			
- Management fee	12.1	839	839
- Sales load payable		3,625	3,625
Brokerage payable		48	18
Auditors' remuneration payable		447	376
Charity payable		2,297	760
Payable to legal advisors		434	434
Others		632	139
Payable against redemption / conversion of units		9	43,021
		8,331	49,212

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

- 12.1** 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. 0.839 (2022: Rs.0.839) 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. 0.003 (2022: Rs.0.007) per unit.

13. CONTINGENCIES AND COMMITMENTS

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

14. RETURN ON INVESTMENTS

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Term Deposit Receipts	376,317	122,413
Sukuk certificates - unlisted	123,117	59,147
Bai Muajjal	498,655	78,458
Commercial papers - unlisted	-	73,398
Musharaka	146,002	-
	1,144,091	333,416

**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) -----	
15. AUDITORS' REMUNERATION		
Annual audit fee	370	365
Half yearly review fee	<u>200</u>	<u>158</u>
	570	523
Sales tax and out of pocket expenses	<u>195</u>	<u>48</u>
	765	571

16. CHARITY EXPENSE

This represents the haram income allocated out of the income from bank balance with MCB Bank Limited (related party) for charity.

17. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management has distributed at least 90% of income earned during current year to the unit holders (refer note 19), therefore, no provision for taxation has been recorded in these financial statements.

		June 30, 2023	June 30, 2022
	Note	----- (Rupees in '000) -----	
18. CASH AND CASH EQUIVALENTS			
Balances with banks	5	19,015,578	10,688,556
Term Deposit Receipts	6.2.2	<u>2,310,000</u>	-
		21,325,578	10,688,556

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations, 2008 and Trust Deed of the Fund. Allocation of cost by the Management Company is in accordance with the provisions of the NBFC regulations. Other transactions with connected persons / related parties are carried at contracted rates.

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

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

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

	For the year ended June 30, 2023						
	As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at June 30, 2023	Amount outstanding as at July 01, 2022	Amount outstanding as at June 30, 2023
	(Units)		(Rupees in '000)				
MCB-Arif Habib Savings And Investments Limited - Management Company	-	6,642,290	-	6,642,290	-	-	660,974
Associated company							
Adamjee Life Assurance Company Limited	110	16	-	-	126	11	2
Adamjee Life Assurance Company Limited - Tameen	-	6,359,164	-	6,359,164	-	-	632,800
Adamjee Insurance Company Limited Window Takaful Operations	-	1,595,029	-	-	1,595,029	-	158,721
Hyundai Nishat Motor Private Limited Employee Provident Fund	122,682	315,387	-	438,069	-	12,208	31,384
Nishat Paper Products Company Limited Staff Provident Fund Trust	-	32,227	-	-	32,227	-	3,207
Key management personnel	27,243	2,452,259	-	2,418,410	61,092	2,711	244,024
Mandate under discretionary portfolio services	178,164	12,246,971	-	12,423,668	1,467	17,729	1,218,696
Unitholders holding - 10% or more	42,060,076	11,951,053	-	54,011,129	4,185,398	1,189,249	-
							5,374,647
	For the year ended June 30, 2022						
	As at July 01, 2021	Issued for cash	Bonus	Redeemed	As at June 30, 2022	Amount outstanding as at July 01, 2021	Amount outstanding as at June 30, 2022
	(Units)		(Rupees in '000)				
Associated company							
Adamjee Life Assurance Co. Ltd.	-	407,175	-	407,065	110	-	40,518
Hyundai Nishat Motor Private Limited Employee Provident Fund	-	122,681	-	-	122,681	-	12,208
Key management personnel	14,711	338,749	-	326,218	27,242	1,464	33,709
Mandate under discretionary portfolio services	4	448,484	-	393,006	55,482	0.40	44,629
Unitholders holding - 10% or more	112,396,782	68,078,587	-	100,837,352	79,638,017	11,184,604	6,774,500
							10,034,325
							7,924,779

**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) -----	
19.2 Details of transactions with related parties / connected persons during the year		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	128,811	24,690
Marketing and selling expense	30,840	4,444
Allocated expenses	2,800	176
Shahriah fee	710	698
Digital Custodian Company - Trustee		
Remuneration including indirect taxes	18,438	9,178
Settlement Charges	241	1,196
Group / associated companies		
MCB Bank Limited		
Bank charges	41	42
19.3 Details of balances with related parties / connected persons as at year end		
	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	10,946	2,004
Sindh Sales Tax payable on management remuneration	1,423	261
Payable against allocated expenses	-	34
Payable against selling and marketing expenses	14,561	890
Shahriah fee payable	50	60
Sales load payable	112	-
Digital Custodian Company - Trustee		
Remuneration including indirect taxes	1,255	660
Sindh sales tax payable on Trustee remuneration	163	86
Group / associated companies		
MCB Bank Limited		
Bank balance	40,399	12,825

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

20. DISTRIBUTION

The Fund makes distribution on daily basis and has made the following distribution during the year.

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
July 1, 2022	0.0389	-	-	4,651	4,651
July 2, 2022	0.0389	-	-	4,651	4,651
July 3, 2022	0.0389	-	-	4,651	4,651
July 4, 2022	0.0388	-	-	4,612	4,612
July 5, 2022	0.0381	-	-	4,979	4,979
July 6, 2022	0.0386	-	-	5,002	5,002
July 7, 2022	0.0382	-	-	5,137	5,137
July 8, 2022	0.0382	-	-	5,137	5,137
July 9, 2022	0.0382	-	-	5,137	5,137
July 10, 2022	0.0382	-	-	5,137	5,137
July 11, 2022	0.0382	-	-	5,137	5,137
July 12, 2022	0.0382	-	-	5,137	5,137
July 13, 2022	0.0389	-	-	5,355	5,355
July 14, 2022	0.0387	-	-	5,377	5,377
July 15, 2022	0.0388	-	-	6,035	6,035
July 16, 2022	0.0388	-	-	6,035	6,035
July 17, 2022	0.0387	-	-	6,035	6,035
July 18, 2022	0.0388	-	-	7,032	7,032
July 19, 2022	0.0388	-	-	7,201	7,201
July 20, 2022	0.0388	-	-	7,320	7,320
July 21, 2022	0.0388	-	-	8,009	8,009
July 22, 2022	0.0384	-	-	9,351	9,351
July 23, 2022	0.0384	-	-	9,353	9,353
July 24, 2022	0.0384	-	-	9,353	9,353
July 25, 2022	0.0388	-	-	9,505	9,505
July 26, 2022	0.0388	-	-	9,508	9,508
July 27, 2022	0.0388	-	-	9,486	9,486
July 28, 2022	0.0388	-	-	9,576	9,576
July 29, 2022	0.0388	-	-	9,758	9,758
July 30, 2022	0.0388	-	-	9,756	9,756
July 31, 2022	0.0388	-	-	9,761	9,761
August 1, 2022	0.0382	-	-	9,713	9,713
August 2, 2022	0.0383	-	-	9,765	9,765
August 3, 2022	0.0383	-	-	9,570	9,570
August 4, 2022	0.0382	-	-	9,541	9,541
August 5, 2022	0.0386	-	-	9,821	9,821
August 6, 2022	0.0386	-	-	9,821	9,821
August 7, 2022	0.0386	-	-	9,821	9,821
August 8, 2022	0.0386	-	-	9,821	9,821
August 9, 2022	0.0386	-	-	9,821	9,821
August 10, 2022	0.0382	-	-	9,321	9,321
August 11, 2022	0.0384	-	-	9,438	9,438
August 12, 2022	0.0379	-	-	9,346	9,346

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
August 13, 2022	0.0379	-	-	9,349	9,349
August 14, 2022	0.0379	-	-	9,349	9,349
August 15, 2022	0.0380	-	-	9,359	9,359
August 16, 2022	0.0385	-	-	9,418	9,418
August 17, 2022	0.0382	-	-	9,328	9,328
August 18, 2022	0.0382	-	-	9,121	9,121
August 19, 2022	0.0381	-	-	9,103	9,103
August 20, 2022	0.0380	-	-	9,100	9,100
August 21, 2022	0.0380	-	-	9,100	9,100
August 22, 2022	0.0381	-	-	8,952	8,952
August 23, 2022	0.0383	-	-	8,794	8,794
August 24, 2022	0.0382	-	-	8,935	8,935
August 25, 2022	0.0383	-	-	8,607	8,607
August 26, 2022	0.0383	-	-	8,665	8,665
August 27, 2022	0.0383	-	-	8,662	8,662
August 28, 2022	0.0383	-	-	8,662	8,662
August 29, 2022	0.0383	-	-	8,683	8,683
August 30, 2022	0.0382	-	-	8,660	8,660
August 31, 2022	0.0387	-	-	8,377	8,377
September 1, 2022	0.0384	-	-	8,730	8,730
September 2, 2022	0.0385	-	-	8,788	8,788
September 3, 2022	0.0400	-	-	9,140	9,140
September 4, 2022	0.0400	-	-	9,140	9,140
September 5, 2022	0.0398	-	-	9,118	9,118
September 6, 2022	0.0400	-	-	9,000	9,000
September 7, 2022	0.0401	-	-	9,019	9,019
September 8, 2022	0.0407	-	-	9,350	9,350
September 9, 2022	0.0407	-	-	9,398	9,398
September 10, 2022	0.0402	-	-	9,266	9,266
September 11, 2022	0.0407	-	-	9,398	9,398
September 12, 2022	0.0407	-	-	9,405	9,405
September 13, 2022	0.0408	-	-	9,362	9,362
September 14, 2022	0.0408	-	-	9,382	9,382
September 15, 2022	0.0410	-	-	9,021	9,021
September 16, 2022	0.0410	-	-	8,834	8,834
September 17, 2022	0.0410	-	-	8,834	8,834
September 18, 2022	0.0409	-	-	8,834	8,834
September 19, 2022	0.0409	-	-	8,850	8,850
September 20, 2022	0.0409	-	-	8,653	8,653
September 21, 2022	0.0409	-	-	8,598	8,598
September 22, 2022	0.0409	-	-	8,580	8,580
September 23, 2022	0.0409	-	-	8,648	8,648
September 24, 2022	0.0409	-	-	8,650	8,650
September 25, 2022	0.0409	-	-	8,650	8,650
September 26, 2022	0.0409	-	-	8,660	8,660
September 27, 2022	0.0409	-	-	8,682	8,682
September 28, 2022	0.0410	-	-	8,878	8,878

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
September 29, 2022	0.0411	-	-	8,904	8,904
September 30, 2022	0.0410	-	-	9,136	9,136
October 1, 2022	0.0410	-	-	9,146	9,146
October 2, 2022	0.0410	-	-	9,146	9,146
October 3, 2022	0.0385	-	-	8,712	8,712
October 4, 2022	0.0388	-	-	8,570	8,570
October 5, 2022	0.0385	-	-	8,575	8,575
October 6, 2022	0.0386	-	-	8,720	8,720
October 7, 2022	0.0386	-	-	8,733	8,733
October 8, 2022	0.0386	-	-	8,733	8,733
October 9, 2022	0.0386	-	-	8,733	8,733
October 10, 2022	0.0386	-	-	9,258	9,258
October 11, 2022	0.0387	-	-	9,490	9,490
October 12, 2022	0.0386	-	-	9,507	9,507
October 13, 2022	0.0385	-	-	9,470	9,470
October 14, 2022	0.0379	-	-	9,329	9,329
October 15, 2022	0.0379	-	-	9,329	9,329
October 16, 2022	0.0379	-	-	9,329	9,329
October 17, 2022	0.0384	-	-	9,399	9,399
October 18, 2022	0.0383	-	-	9,438	9,438
October 19, 2022	0.0382	-	-	9,419	9,419
October 20, 2022	0.0385	-	-	9,483	9,483
October 21, 2022	0.0383	-	-	9,452	9,452
October 22, 2022	0.0382	-	-	9,412	9,412
October 23, 2022	0.0382	-	-	9,412	9,412
October 24, 2022	0.0383	-	-	9,459	9,459
October 25, 2022	0.0384	-	-	9,485	9,485
October 26, 2022	0.0384	-	-	9,493	9,493
October 27, 2022	0.0384	-	-	8,761	8,761
October 28, 2022	0.0384	-	-	8,765	8,765
October 29, 2022	0.0384	-	-	8,767	8,767
October 30, 2022	0.0384	-	-	8,767	8,767
October 31, 2022	0.0385	-	-	8,797	8,797
November 1, 2022	0.0385	-	-	8,764	8,764
November 2, 2022	0.0386	-	-	8,804	8,804
November 3, 2022	0.0384	-	-	8,797	8,797
November 4, 2022	0.0386	-	-	8,942	8,942
November 5, 2022	0.0387	-	-	8,961	8,961
November 6, 2022	0.0388	-	-	8,987	8,987
November 7, 2022	0.0388	-	-	8,987	8,987
November 8, 2022	0.0386	-	-	9,174	9,174
November 9, 2022	0.0387	-	-	9,206	9,206
November 10, 2022	0.0388	-	-	9,198	9,198
November 11, 2022	0.0390	-	-	9,319	9,319
November 12, 2022	0.0387	-	-	9,260	9,260
November 13, 2022	0.0389	-	-	9,304	9,304
November 14, 2022	0.0388	-	-	9,297	9,297

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
November 15, 2022	0.0387	-	-	9,352	9,352
November 16, 2022	0.0387	-	-	9,362	9,362
November 17, 2022	0.0388	-	-	9,382	9,382
November 18, 2022	0.0388	-	-	9,375	9,375
November 19, 2022	0.0388	-	-	9,377	9,377
November 20, 2022	0.0389	-	-	9,394	9,394
November 21, 2022	0.0388	-	-	9,407	9,407
November 22, 2022	0.0388	-	-	9,483	9,483
November 23, 2022	0.0388	-	-	9,318	9,318
November 24, 2022	0.0388	-	-	9,325	9,325
November 25, 2022	0.0386	-	-	9,303	9,303
November 26, 2022	0.0386	-	-	9,305	9,305
November 27, 2022	0.0388	-	-	9,349	9,349
November 28, 2022	0.0387	-	-	9,348	9,348
November 29, 2022	0.0388	-	-	9,395	9,395
November 30, 2022	0.0389	-	-	9,899	9,899
December 1, 2022	0.0406	-	-	10,499	10,499
December 2, 2022	0.0409	-	-	10,525	10,525
December 3, 2022	0.0408	-	-	10,522	10,522
December 4, 2022	0.0408	-	-	10,522	10,522
December 5, 2022	0.0408	-	-	10,523	10,523
December 6, 2022	0.0410	-	-	10,642	10,642
December 7, 2022	0.0412	-	-	10,748	10,748
December 8, 2022	0.0411	-	-	10,289	10,289
December 9, 2022	0.0411	-	-	10,291	10,291
December 10, 2022	0.0411	-	-	10,291	10,291
December 11, 2022	0.0411	-	-	10,291	10,291
December 12, 2022	0.0410	-	-	10,291	10,291
December 13, 2022	0.0410	-	-	10,321	10,321
December 14, 2022	0.0411	-	-	10,308	10,308
December 15, 2022	0.0410	-	-	10,328	10,328
December 16, 2022	0.0410	-	-	10,399	10,399
December 17, 2022	0.0410	-	-	10,400	10,400
December 18, 2022	0.0410	-	-	10,414	10,414
December 19, 2022	0.0413	-	-	10,486	10,486
December 20, 2022	0.0415	-	-	11,385	11,385
December 21, 2022	0.0416	-	-	11,607	11,607
December 22, 2022	0.0410	-	-	11,478	11,478
December 23, 2022	0.0411	-	-	11,665	11,665
December 24, 2022	0.0411	-	-	11,665	11,665
December 25, 2022	0.0411	-	-	11,665	11,665
December 26, 2022	0.0413	-	-	11,202	11,202
December 27, 2022	0.0413	-	-	11,496	11,496
December 28, 2022	0.0415	-	-	11,588	11,588
December 29, 2022	0.0416	-	-	11,628	11,628
December 30, 2022	0.0409	-	-	11,806	11,806
December 31, 2022	0.0404	-	-	11,664	11,664

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
January 1, 2023	0.0403	-	-	11,632	11,632
January 2, 2023	0.0403	-	-	11,632	11,632
January 3, 2023	0.0389	-	-	11,041	11,041
January 4, 2023	0.0380	-	-	10,431	10,431
January 5, 2023	0.0389	-	-	10,714	10,714
January 6, 2023	0.0390	-	-	9,577	9,577
January 7, 2023	0.0390	-	-	9,575	9,575
January 8, 2023	0.0391	-	-	9,608	9,608
January 9, 2023	0.0390	-	-	9,468	9,468
January 10, 2023	0.0390	-	-	9,712	9,712
January 11, 2023	0.0390	-	-	9,718	9,718
January 12, 2023	0.0390	-	-	9,608	9,608
January 13, 2023	0.0390	-	-	9,472	9,472
January 14, 2023	0.0390	-	-	9,475	9,475
January 15, 2023	0.0390	-	-	9,475	9,475
January 16, 2023	0.0390	-	-	9,767	9,767
January 17, 2023	0.0390	-	-	9,785	9,785
January 18, 2023	0.0389	-	-	11,827	11,827
January 19, 2023	0.0389	-	-	11,836	11,836
January 20, 2023	0.0389	-	-	12,171	12,171
January 21, 2023	0.0389	-	-	12,172	12,172
January 22, 2023	0.0389	-	-	12,172	12,172
January 23, 2023	0.0391	-	-	12,736	12,736
January 24, 2023	0.0389	-	-	9,634	9,634
January 25, 2023	0.0389	-	-	9,627	9,627
January 26, 2023	0.0389	-	-	9,712	9,712
January 27, 2023	0.0395	-	-	9,947	9,947
January 28, 2023	0.0397	-	-	10,004	10,004
January 29, 2023	0.0397	-	-	10,004	10,004
January 30, 2023	0.0396	-	-	9,928	9,928
January 31, 2023	0.0398	-	-	10,430	10,430
February 1, 2023	0.0404	-	-	10,738	10,738
February 2, 2023	0.0403	-	-	10,489	10,489
February 3, 2023	0.0412	-	-	10,611	10,611
February 4, 2023	0.0412	-	-	10,611	10,611
February 5, 2023	0.0412	-	-	10,611	10,611
February 6, 2023	0.0411	-	-	10,613	10,613
February 7, 2023	0.0411	-	-	9,782	9,782
February 8, 2023	0.0411	-	-	9,543	9,543
February 9, 2023	0.0411	-	-	9,567	9,567
February 10, 2023	0.0412	-	-	9,967	9,967
February 11, 2023	0.0412	-	-	9,968	9,968
February 12, 2023	0.0412	-	-	9,968	9,968
February 13, 2023	0.0418	-	-	10,135	10,135
February 14, 2023	0.0416	-	-	10,059	10,059
February 15, 2023	0.0417	-	-	10,034	10,034
February 16, 2023	0.0417	-	-	12,204	12,204

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
February 17, 2023	0.0417	-	-	12,637	12,637
February 18, 2023	0.0417	-	-	12,637	12,637
February 19, 2023	0.0417	-	-	12,637	12,637
February 20, 2023	0.0416	-	-	12,565	12,565
February 21, 2023	0.0418	-	-	13,365	13,365
February 22, 2023	0.0418	-	-	13,658	13,658
February 23, 2023	0.0417	-	-	14,566	14,566
February 24, 2023	0.0417	-	-	14,782	14,782
February 25, 2023	0.0417	-	-	14,796	14,796
February 26, 2023	0.0417	-	-	14,796	14,796
February 27, 2023	0.0409	-	-	14,019	14,019
February 28, 2023	0.0414	-	-	14,247	14,247
March 1, 2023	0.0414	-	-	14,092	14,092
March 2, 2023	0.0411	-	-	13,943	13,943
March 3, 2023	0.0415	-	-	14,378	14,378
March 4, 2023	0.0415	-	-	14,379	14,379
March 5, 2023	0.0415	-	-	14,379	14,379
March 6, 2023	0.0425	-	-	14,702	14,702
March 7, 2023	0.0439	-	-	15,061	15,061
March 8, 2023	0.0444	-	-	14,899	14,899
March 9, 2023	0.0454	-	-	14,385	14,385
March 10, 2023	0.0452	-	-	12,137	12,137
March 11, 2023	0.0454	-	-	12,183	12,183
March 12, 2023	0.0457	-	-	12,271	12,271
March 13, 2023	0.0465	-	-	12,643	12,643
March 14, 2023	0.0468	-	-	12,674	12,674
March 15, 2023	0.0465	-	-	12,574	12,574
March 16, 2023	0.0464	-	-	12,324	12,324
March 17, 2023	0.0462	-	-	12,542	12,542
March 18, 2023	0.0462	-	-	12,543	12,543
March 19, 2023	0.0464	-	-	12,595	12,595
March 20, 2023	0.0464	-	-	12,737	12,737
March 21, 2023	0.0470	-	-	13,428	13,428
March 22, 2023	0.0464	-	-	13,885	13,885
March 23, 2023	0.0464	-	-	13,885	13,885
March 24, 2023	0.0464	-	-	13,885	13,885
March 25, 2023	0.0464	-	-	13,885	13,885
March 26, 2023	0.0468	-	-	14,016	14,016
March 27, 2023	0.0465	-	-	13,948	13,948
March 28, 2023	0.0474	-	-	14,063	14,063
March 29, 2023	0.0466	-	-	13,762	13,762
March 30, 2023	0.0478	-	-	13,850	13,850
March 31, 2023	0.0482	-	-	13,961	13,961
April 1, 2023	0.0465	-	-	13,483	13,483
April 2, 2023	0.0465	-	-	13,483	13,483
April 3, 2023	0.0466	-	-	14,594	14,594
April 4, 2023	0.0475	-	-	17,491	17,491

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
April 5, 2023	0.0474	-	-	17,596	17,596
April 6, 2023	0.0488	-	-	18,018	18,018
April 7, 2023	0.0491	-	-	18,081	18,081
April 8, 2023	0.0491	-	-	18,081	18,081
April 9, 2023	0.0492	-	-	18,098	18,098
April 10, 2023	0.0493	-	-	16,510	16,510
April 11, 2023	0.0493	-	-	16,471	16,471
April 12, 2023	0.0493	-	-	13,924	13,924
April 13, 2023	0.0494	-	-	14,285	14,285
April 14, 2023	0.0495	-	-	13,756	13,756
April 15, 2023	0.0495	-	-	13,759	13,759
April 16, 2023	0.0498	-	-	13,842	13,842
April 17, 2023	0.0498	-	-	13,494	13,494
April 18, 2023	0.0499	-	-	13,330	13,330
April 19, 2023	0.0498	-	-	13,035	13,035
April 20, 2023	0.0499	-	-	12,990	12,990
April 21, 2023	0.0498	-	-	12,973	12,973
April 22, 2023	0.0498	-	-	12,973	12,973
April 23, 2023	0.0498	-	-	12,973	12,973
April 24, 2023	0.0498	-	-	12,973	12,973
April 25, 2023	0.0499	-	-	13,008	13,008
April 26, 2023	0.0501	-	-	13,114	13,114
April 27, 2023	0.0502	-	-	13,107	13,107
April 28, 2023	0.0509	-	-	13,290	13,290
April 29, 2023	0.0506	-	-	13,216	13,216
April 30, 2023	0.0507	-	-	13,222	13,222
May 1, 2023	0.0496	-	-	12,938	12,938
May 2, 2023	0.0500	-	-	13,034	13,034
May 3, 2023	0.0494	-	-	12,818	12,818
May 4, 2023	0.0504	-	-	13,146	13,146
May 5, 2023	0.0505	-	-	13,172	13,172
May 6, 2023	0.0505	-	-	13,171	13,171
May 7, 2023	0.0505	-	-	13,171	13,171
May 8, 2023	0.0504	-	-	13,182	13,182
May 9, 2023	0.0506	-	-	13,279	13,279
May 10, 2023	0.0510	-	-	13,406	13,406
May 11, 2023	0.0512	-	-	13,521	13,521
May 12, 2023	0.0508	-	-	13,432	13,432
May 13, 2023	0.0508	-	-	13,438	13,438
May 14, 2023	0.0508	-	-	13,439	13,439
May 15, 2023	0.0510	-	-	14,046	14,046
May 16, 2023	0.0509	-	-	13,987	13,987
May 17, 2023	0.0509	-	-	14,155	14,155
May 18, 2023	0.0509	-	-	14,171	14,171
May 19, 2023	0.0508	-	-	14,174	14,174
May 20, 2023	0.0508	-	-	14,174	14,174
May 21, 2023	0.0507	-	-	14,174	14,174
May 22, 2023	0.0507	-	-	14,183	14,183
May 23, 2023	0.0507	-	-	14,323	14,323
May 24, 2023	0.0507	-	-	14,065	14,065
May 25, 2023	0.0508	-	-	14,130	14,130

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

Date	Rate per unit	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
May 26, 2023	0.0504	-	-	13,997	13,997
May 27, 2023	0.0504	-	-	13,997	13,997
May 28, 2023	0.0508	-	-	14,103	14,103
May 29, 2023	0.0508	-	-	14,065	14,065
May 30, 2023	0.0507	-	-	13,346	13,346
May 31, 2023	0.0510	-	-	12,657	12,657
June 1, 2023	0.0508	-	-	12,552	12,552
June 2, 2023	0.0509	-	-	12,558	12,558
June 3, 2023	0.0509	-	-	12,560	12,560
June 4, 2023	0.0509	-	-	12,560	12,560
June 5, 2023	0.0513	-	-	12,790	12,790
June 6, 2023	0.0512	-	-	12,771	12,771
June 7, 2023	0.0519	-	-	12,917	12,917
June 8, 2023	0.0519	-	-	12,088	12,088
June 9, 2023	0.0518	-	-	12,056	12,056
June 10, 2023	0.0518	-	-	12,056	12,056
June 11, 2023	0.0518	-	-	12,056	12,056
June 12, 2023	0.0519	-	-	12,054	12,054
June 13, 2023	0.0521	-	-	12,107	12,107
June 14, 2023	0.0522	-	-	11,937	11,937
June 15, 2023	0.0522	-	-	11,917	11,917
June 16, 2023	0.0522	-	-	11,926	11,926
June 17, 2023	0.0522	-	-	11,928	11,928
June 18, 2023	0.0522	-	-	11,928	11,928
June 19, 2023	0.0523	-	-	11,768	11,768
June 20, 2023	0.0527	-	-	11,824	11,824
June 21, 2023	0.0527	-	-	11,760	11,760
June 22, 2023	0.0527	-	-	11,710	11,710
June 23, 2023	0.0527	-	-	11,823	11,823
June 24, 2023	0.0527	-	-	11,824	11,824
June 25, 2023	0.0527	-	-	11,824	11,824
June 26, 2023	0.0539	-	-	11,483	11,483
June 27, 2023	0.0530	-	-	13,554	13,554
June 28, 2023	0.0533	-	-	13,642	13,642
June 29, 2023	0.0530	-	-	13,569	13,569
June 30, 2023	0.0530	-	-	13,575	13,575
					3,965,192

The Fund makes distribution on daily basis as per clause 12.1 of Trust Deed and 5.1 of the Offering Document. During the year, the Management Company on behalf of the Fund, have distributed all net profit amounting to Rs.3,965.192 million (2022: Rs.1,272.168 million) as dividend and that dividend has been re-invested after deducting applicable taxes in the form acceptable by SECP that may qualify under tax laws.

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

21 FINANCIAL RISK MANAGEMENT

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

The fund primarily invests in shariah compliant authorised investments which includes Sukuk certificates, commercial papers, term deposit receipts and other such money market investments.

21.1 Market risk

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

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

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

21.1.1 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 are carried out in Pakistani Rupees.

21.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

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

b) Sensitivity analysis for fixed rate instruments

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

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 interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

	June 30, 2023					Total
	Exposed to yield / interest risk				Not exposed to yield / interest rate risk	
	Effective yield / interest rate %	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						
Bank balances	12.52% to 20.50%	18,015,228	-	-	1,000,350	19,015,578
Investments classified as:						
at amortised cost			5,540,000			
at fair value through profit or loss'	15.3% to 21%	-	600,000	-	-	600,000
Profit receivable		-	-	-	407,789	407,789
Receivable from Management Company		-	-	-	-	-
Deposits		-	-	-	100	100
		18,015,228	6,140,000	-	1,408,239	20,023,467
Financial liabilities						
Payable to the Management Company		-	-	-	25,669	25,669
Payable to the Trustee		-	-	-	1,255	1,255
Accrued expenses and other liabilities		-	-	-	3,433	3,433
Dividend payable		-	-	-	19,635	19,635
		-	-	-	49,992	49,992
On-balance sheet gap		18,015,228	6,140,000	-	1,358,247	19,973,475

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

	June 30, 2022					Total
	Exposed to yield / interest risk				Not exposed to yield / interest rate risk	
	Effective yield / interest rate %	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						
Bank balances	6.60% to 15.51%	10,688,520	-	-	36	10,688,556
Investments classified as:						
at fair value through profit or loss'	15% to 15.1%	-	1,078,000	-	-	1,078,000
Profit receivable		-	-	-	186,524	186,524
Receivable from Management Company		-	-	-	-	-
Deposits		-	-	-	100	100
		10,688,520	1,078,000	-	186,660	11,953,180
Payable to the Management Company		-	-	-	2,989	2,989
Payable to the Trustee		-	-	-	660	660
Accrued expenses and other liabilities		-	-	-	44,315	44,315
Dividend payable		-	-	-	4,250	4,250
		-	-	-	52,214	52,214
On-balance sheet gap		10,688,520	1,078,000	-	134,446	11,900,966

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

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

21.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold equity securities as at June 30, 2023 (June 30, 2022: Nil), hence it is not exposed to equity price risk.

21.3 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.

The Fund is exposed to counter party credit risks on investments in sukuk certificates, bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings. The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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 minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

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

	30 June 2023		30 June 2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----				
Bank balances (including term deposit receipts)	21,325,578	21,325,578	10,688,556	10,688,556
Investments (excluding term deposit receipts)	3,830,000	3,830,000	1,078,000	1,078,000
Markup receivable on investments and bank balance	407,789	407,789	186,524	186,524
Deposits	100	100	100	100
	<u>25,563,467</u>	<u>25,563,467</u>	<u>11,953,180</u>	<u>11,953,180</u>

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at 30 June 2023.

Bank Balances (including term deposit receipts) by rating category

Rating	30 June 2023		30 June 2022	
	Rupees in '000	%	Rupees in '000	%
AAA	5,342,471	25.05%	7,788,709	72.87%
AA+	2,310,586	10.83%	3,770	0.04%
AA-	-	0.00%	-	0.00%
A1+	-	0.00%	-	0.00%
AA	13,672,521	64.11%	2,896,077	27.10%
A	-	0.00%	-	0.00%
A-	-	0.00%	-	0.00%
	<u>21,325,578</u>	<u>100.0%</u>	<u>10,688,556</u>	<u>100.0%</u>

Investments (excluding term deposit receipts) by rating category

Rating	June 30, 2023		June 30, 2022	
	Rupees in '000	%	Rupees in '000	%
A1+	600,000	15.67%	-	0.00%
AA	2,230,000	58.22%	-	0.00%
AA+	1,000,000	26.11%	1,078,000	100.00%
	<u>3,830,000</u>	<u>100.00%</u>	<u>1,078,000</u>	<u>100.00%</u>

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

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formally JCR-VIS Credit Rating Company Limited) as of June 30, 2023 and June 30, 2022.

Deposits are placed with CDC for the purpose of effecting transactions and settlement of listed securities. It is expected that all securities deposited with CDC will be clearly identified as being assets of the Fund, hence the management believes that the Fund is materially exposed to a credit risk with respect to such parties.

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

Concentration of credit risk

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

Settlement risk

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

21.4 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

The table below analyses the Fund's financial assets and 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			Total
	Within 1 month	Over 3 to 12 months	Over 1 to 5 years	
(Rupees in '000)				
Financial liabilities				
Payable to the Management	25,669	-	-	25,669
Payable to the Trustee	1,255	-	-	1,255
Dividend Payable	19,635	-	-	19,635
Accrued expenses and other liabilities	3,433	-	-	3,433
	49,992	-	-	49,992

	June 30, 2022			Total
	Within 1 month	Over 3 to 12 months	Over 1 to 5 years	
(Rupees in '000)				
Financial liabilities				
Payable to the Management Company	2,988	-	-	2,988
Payable to the Trustee	660	-	-	660
Dividend payable	4,250	-	-	4,250
Accrued expenses and other liabilities	44,315	-	-	44,315
	52,213	-	-	52,213

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

21.5 Financial instruments by category

As at June 30, 2023, all the financial assets are carried on the Statement of Assets and Liabilities are categorised either as financial assets classified as 'at fair value through profit or loss' and 'at amortised cost'. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as 'at amortised cost'.

	June 30, 2023		
	Fair value through profit or loss	Amortized cost	Total
	(Rupees in '000)		
Assets			
Bank balances	-	19,015,578	19,015,578
Investments	600,000	5,540,000	6,140,000
Profit receivable on bank balances and investments	-	407,789	407,789
Advances, deposits and prepayments	-	2,895	2,895
	600,000	24,966,262	25,566,262
Liabilities			
Payable to Management Company	-	27,092	27,092
Payable to Trustee	-	1,420	1,420
Payable to the Securities and Exchange Commission of Pakistan	-	5,022	5,022
Dividend payable	-	19,635	19,635
Accrued expenses and other liabilities	-	8,331	8,331
	-	61,500	61,500

	June 30, 2022		
	Fair value through profit or loss	Amortized cost	Total
	(Rupees in '000)		
Assets			
Bank balances	-	10,688,556	10,688,556
Investments	1,078,000	-	1,078,000
Profit receivable on bank balances and investments	-	186,524	186,524
Advances, deposits and prepayments	-	1,387	1,387
	1,078,000	10,876,467	11,954,467
Liabilities			
Payable to Management Company	-	2,988	2,988
Payable to Trustee	-	660	660
Payable to the Securities and Exchange Commission of Pakistan	-	2,789	2,789
Dividend payable	-	4,250	4,250
Accrued expenses and other liabilities	-	49,212	49,212
	-	59,898	59,898

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

22. 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 endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

23. 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 close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value 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).

23.1 The Fund has not disclosed the fair values for its financial assets and financial liabilities, as their carrying amounts are a reasonable approximation of their fair value.

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

24. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, particulars of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

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

24.1 UNIT HOLDERS PATTERN

	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage investment %
Individuals	993	43,421,691	4,320,892	16.9%
Insurance Companies	8	1,971,580	196,192	0.8%
Corporates	45	136,150,755	13,548,362	53.1%
Associated Companies	3	1,636,630	162,861	0.6%
Default	840	6,174,284	614,403	2.4%
Retirement Fund	17	2,679,500	266,637	1.1%
Others	24	64,269,071	6,395,415	25.1%
	1,930	256,303,511	25,504,762	100.0%

As at June 30, 2022

	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage investment %
Individuals	271	5,821,542	579,301	4.87%
Insurance Companies	6	2,418,397	240,655	2.02%
Corporates	16	66,624,180	6,629,772	55.74%
Associated Companies	2	122,791	12,219	0.10%
Default	230	420,467	41,841	0.35%
Retirement Fund	9	1,304,384	129,799	1.09%
Others	6	42,816,138	4,260,634	35.82%
	540	119,527,899	11,894,221	100.0%

24.2 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

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	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

24.3 TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

**June 30,
2023
(Percentage)**

1	Optimus Market Private Limited	63.44%
2	C and M Management Private Limited	23.68%
3	Continental Exchange Pvt. Limited	5.37%
4	Pearl Securities Limited	2.15%
5	Alfalah CLSA Securities (Pvt) Limited	1.61%

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

**June 30,
2022
(Percentage)**

1 Paramount Capital (Private) Limited 100.00%

24.4 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

*These director resigned on May 02, 2023.

**These director were appointed on May 02, 2023.

24.5 Other funds managed by the fund manager

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

- Pakistan Income Fund
- Alhamra Islamic Income Fund
- Alhamra Islamic Active Allocation Fund
- MCB Pakistan Fixed Return Fund
- Alhamra Wada Fund

25. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 0.77% as on June 30, 2023 (June 30, 2022: 0.32%) and this includes 0.09% (June 30, 2022: 0.04%) representing Government Levy and SECP fee.

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

26. GENERAL

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

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

27. DATE OF AUTHORISATION FOR ISSUE

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

No. of Unit Holders	Unit holdings	Total units held
441	A. 001-10,000	9,347
268	B. 10,001 – 100,000	113,885
518	C. 100,001 – 1000,000	2,154,244
703	D. 1000,001 & Above	254,026,034
<u>1,930</u>		<u>256,303,511</u>

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2023

2023				2022			
Date	Rate	Date	Rate	Date	Rate	Date	Rate
November 25, 2022	0.0386	May 28, 2023	0.0508	November 25, 2021	0.0219	May 28, 2022	0.0355
November 26, 2022	0.0386	May 29, 2023	0.0508	November 26, 2021	0.0219	May 29, 2022	0.0354
November 27, 2022	0.0388	May 30, 2023	0.0507	November 27, 2021	0.022	May 30, 2022	0.036
November 28, 2022	0.0387	May 31, 2023	0.0510	November 28, 2021	0.022	May 31, 2022	0.0358
November 29, 2022	0.0388	June 1, 2023	0.0508	November 29, 2021	0.022	June 1, 2022	0.0364
November 30, 2022	0.0389	June 2, 2023	0.0509	November 30, 2021	0.022	June 2, 2022	0.0364
December 1, 2022	0.0406	June 3, 2023	0.0509	December 1, 2021	0.022	June 3, 2022	0.0368
December 2, 2022	0.0409	June 4, 2023	0.0509	December 2, 2021	0.0228	June 4, 2022	0.0374
December 3, 2022	0.0408	June 5, 2023	0.0513	December 3, 2021	0.023	June 5, 2022	0.0374
December 4, 2022	0.0408	June 6, 2023	0.0512	December 4, 2021	0.0231	June 6, 2022	0.0374
December 5, 2022	0.0408	June 7, 2023	0.0519	December 5, 2021	0.0231	June 7, 2022	0.0374
December 6, 2022	0.0410	June 8, 2023	0.0519	December 6, 2021	0.0231	June 8, 2022	0.0374
December 7, 2022	0.0412	June 9, 2023	0.0518	December 7, 2021	0.0231	June 9, 2022	0.0388
December 8, 2022	0.0411	June 10, 2023	0.0518	December 8, 2021	0.023	June 10, 2022	0.0398
December 9, 2022	0.0411	June 11, 2023	0.0518	December 9, 2021	0.023	June 11, 2022	0.0395
December 10, 2022	0.0411	June 12, 2023	0.0519	December 10, 2021	0.023	June 12, 2022	0.0395
December 11, 2022	0.0411	June 13, 2023	0.0521	December 11, 2021	0.023	June 13, 2022	0.0396
December 12, 2022	0.0410	June 14, 2023	0.0522	December 12, 2021	0.023	June 14, 2022	0.0405
December 13, 2022	0.0410	June 15, 2023	0.0522	December 13, 2021	0.023	June 15, 2022	0.0405
December 14, 2022	0.0411	June 16, 2023	0.0522	December 14, 2021	0.0244	June 16, 2022	0.041
December 15, 2022	0.0410	June 17, 2023	0.0522	December 15, 2021	0.0244	June 17, 2022	0.0405
December 16, 2022	0.0410	June 18, 2023	0.0522	December 16, 2021	0.0261	June 18, 2022	0.0411
December 17, 2022	0.0410	June 19, 2023	0.0523	December 17, 2021	0.0268	June 19, 2022	0.0409
December 18, 2022	0.0410	June 20, 2023	0.0527	December 18, 2021	0.0265	June 20, 2022	0.0409
December 19, 2022	0.0413	June 21, 2023	0.0527	December 19, 2021	0.0265	June 21, 2022	0.0409
December 20, 2022	0.0415	June 22, 2023	0.0527	December 20, 2021	0.0265	June 22, 2022	0.0409
December 21, 2022	0.0416	June 23, 2023	0.0527	December 21, 2021	0.0265	June 23, 2022	0.0409
December 22, 2022	0.0410	June 24, 2023	0.0527	December 22, 2021	0.0265	June 24, 2022	0.041
December 23, 2022	0.0411	June 25, 2023	0.0527	December 23, 2021	0.0265	June 25, 2022	0.0409
December 24, 2022	0.0411	June 26, 2023	0.0539	December 24, 2021	0.0406	June 26, 2022	0.0408
December 25, 2022	0.0411	June 27, 2023	0.0530	December 25, 2021	0.028	June 27, 2022	0.0417
December 26, 2022	0.0413	June 28, 2023	0.0533	December 26, 2021	0.028	June 28, 2022	0.0417
December 27, 2022	0.0413	June 29, 2023	0.0530	December 27, 2021	0.028	June 29, 2022	0.0417
December 28, 2022	0.0415	June 30, 2023	0.0530	December 28, 2021	0.0279	June 30, 2022	0.0417
December 29, 2022	0.0416			December 29, 2021	0.0279		
December 30, 2022	0.0409			December 30, 2021	0.0279		
December 31, 2022	0.0404			December 31, 2021	0.0355		

Disclaimer

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

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