



MCB FUNDS
Investments for Life

ANNUAL REPORT 2023

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



ISAVE
Savings Asaan. Life Asaan.

ALHAMRA DAILY DIVIDEND FUND

Note - Change in Name

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

نوٹ: نام کی تبدیلی

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

TABLE OF CONTENTS

1	Fund's Information	786
2	Report of the Director of the Management Company	787
3	Report of the Fund Manager	799
4	Trustee Report to the Unit Holders	801
5	Report of the Shariah Advisory Board	802
6	Independent Auditor's Report to the Unit Holders	803
7	Statement of Assets and Liabilities	807
8	Income Statement	808
9	Statement of Other Comprehensive Income	809
10	Statement of Movement in Unit Holder's Fund	810
11	Cash Flow Statement	811
12	Notes to and Forming Part of the Financial Statements	812
13	Pattern of Units Holding by Size	842
14	Performance Table	843

FUND'S INFORMATION

Management Company	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Bank Al-Habib Limited Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Silk Bank Limited Faysal Bank Limited National Bank of Pakistan	MCB Islamic Bank Limited Askari Bank Limited Allied Bank Limited Soneri Bank Limited Al Baraka Bank Pakistan Limited Meezan Bank Limited The Bank of Khyber
Auditors	Ernt & Young Ford Rhodes & Co. Chartered Accountant Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Daily Dividend 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, ALHDDF generated a return of 15.73% as compared to a return of 6.05% witnessed by the Benchmark, outperforming the benchmark by 9.68%. The Fund kept its exposure in cash at 61.6% towards the period end. The Net Assets of the fund as at June 30, 2023 stood at Rs. 2,991 million. The Net Asset Value (NAV) per unit as at June 30, 2023 was 100.

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	11,013	9,986.50	37.97
2.	Muhammad Asif Mehdi Rizvi	Chief Operating & Financial Officer	200,182	200,454.62	269.62
3.	Altaf Ahmed Faisal	Company Secretary	49,335.59	46,363.36	27.49
4.	Mobin Ahmed Siddiqui	Chief Internal Auditor	134,769.98	165,178.15	1,566.43

EXTERNAL AUDITORS

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

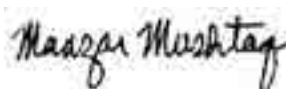
ACKNOWLEDGEMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
July 26, 2023



Manzar Mushtaq
Director

ڈائریکٹرز رپورٹ

نمبر شمار	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
(یونٹس کی تعداد)					
1.	محمد نایب سلیم	چیف ایگزیکٹو آفیسر	11,013	9,986.50	37.97
2.	محمد آصف مہدی رضوی	چیف آپریٹنگ اینڈ فنانشل آفیسر	200,182	200,454.62	269.62
3.	الطاف احمد فیصل	کمپنی سیکرٹری	49,335.59	46,363.36	27.49
4.	سمین احمد صدیقی	چیف انٹرنل آڈیٹر	134,769.98	165,178.15	1,566.43

خارجی آڈیٹرز

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

اظہار تحفہ

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

من جانب ڈائریکٹرز،

Munzar Mushtaq

منظر مشتاق
ڈائریکٹر

محمد نایب سلیم

محمد نایب سلیم
چیف ایگزیکٹو آفیسر

26 جولائی 2023ء

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 (چیئر مین)*
1	7	8	8	2۔ جناب نسیم بیگ*
-	8	8	8	3۔ جناب احمد جہانگیر
2	6	8	8	4۔ جناب کاشف اے صوبی*
3	5	3	8	5۔ سید ساول میکان حسین

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

2. ہیومن ریسورس اینڈ ریوژنیشن کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ ریوژنیشن 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* (چیئر مین)
-	5	5	5	2۔ جناب احمد جہانگیر
-	5	5	5	3۔ جناب نسیم بیگ*
3	2	5	5	4۔ محترمہ ماوراء عادل خان
-	5	5	5	5۔ سید ساول میکان حسین
-	5	5	5	6۔ جناب محمد ثاقب سلیم (سی ای او)

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

n. دوران سال میسجمنٹ کمیٹی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپرینٹنگ آفیسر، چیف فنانشل آفیسر، کمیٹی سیکرٹری اور

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

ڈائریکٹرز رپورٹ

انتظامیہ بہترین طریقوں کے حوالے سے کارپوریت 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 صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

b. فنڈ کی درست بکنس 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 میں پاکستان میں اطلاق ہوتا ہے، Non بینکنگ فنانس کمپنیز (اسٹیشنمنٹ اینڈ ریگولیشنز 2003ء کی، Non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ انٹرنیشنل ریگولیشنز 2008ء کی، متعلقہ ٹرسٹ ڈیڈ ویڈیو کی ضروریات اور سیکرٹریٹ اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛

e. انٹرنل کنٹرول یعنی اندرونی جانچ پر تامل 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 کارپوریت گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے؛

h. واجب الادا بکنس، قانونی چارجز اور ڈیویڈنڈ (اگر کوئی ہیں تو) آؤٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے؛

i. پراویڈنٹ انگریجولسی اور انڈیشن فنڈ کی قدر کے اسٹیشنمنٹ کا اطلاق فنڈ پر نہیں ہوتا لیکن اسٹیشنمنٹ کمپنی پر ہوتا ہے، چنانچہ ڈائریکٹرز رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے؛

j. 30 جون 2023ء کو کمپنی، کوڈ کے ریگولیشن نمبر 20 کے مطابق، ڈائریکٹرز ٹریڈنگ 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 رسی اور موثر نظام نافذ کیا گیا ہے؛

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

منجمنت کمیٹی

فنڈ کا انتظام ایم سی بی مارف صیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی - اے ایچ) نے سنبالا ہوا ہے جو ایم سی بی بینک لمیٹڈ (ایم سی بی) کی سٹیڈی ہے۔ 18 اپریل 2023ء کو ایم سی بی نے عارف صیب 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 کمیٹی کے ارکان نے غیر معمولی عمومی اجلاس (ای او بی ایم) مورخہ 07 جولائی 2023ء میں خصوصی قرارداد کے ذریعے فیصلہ کیا ہے کہ کمیٹی کا نام ایم سی بی مارف صیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ سے تبدیل کر کے ایم سی بی انویسٹمنٹ منجمنٹ 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 پرعزم ہے۔ بورڈ آف ڈائریکٹرز (8 ارکان پر مشتمل ہے بشمول چیف ایگزیکٹو ڈائریکٹر (CEO) اور اس میں اصناف اور معلومات کا متنوع امتزاج موجود ہے۔ بورڈ 1 خاتون اور 7 حضرات ڈائریکٹرز پر مشتمل ہے جن کو مندرجہ ذیل زمروں میں تقسیم کیا گیا ہے:

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

مندرجہ بالا کی تفصیلات درج ذیل ہیں:

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

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

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۔

کمپنیل 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) بننا 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 شہیدہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کہنیز 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 شرح 11.8 فیصد پر ہے۔

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

میوہل فنڈ صنعت کا جائزہ

اوپن اینڈ میوہل فنڈ صنعت کے net اثاثہ جات دوران 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، فیکسڈ انکم کے مجموعی فنڈز جون 2022ء سے اب تک تقریباً 23.7 فیصد بڑھ کر 369 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 27 فیصد کم ہو کر 168 بلین روپے ہو گئے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

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

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 منظر المیعا سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم آئی ایم ایف سہاہ سے کے بعد خارجی خدشات کم ہو گئے ہیں اور طویل المیعا سرمایہ کار ان بے حد پیکش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلٹا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

حاضری 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۔ سدا 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، بالمتقابل گزشتہ سال مماثل مدت میں 6,149 بلین روپے لیکن 486 بلین روپے کے ہدف تک نہ پہنچ سکی۔

ٹیکنالوجی 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 غی اہر ہیں۔ 3، 6 اور 12 ماہانہ فی۔ ہلنز کے منافع جات میں بالترتیب 767، 772 اور 763 بیسیس پوائنٹس (بی پی ایس) جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 602، 315 اور 240 بی پی ایس کا اضافہ ہوا۔

نقدی کارکردگی

دوران مدت نقد کامنفع 15.73 فیصد تھا، جو مقررہ معیار (بچ مارک) 6.05 فیصد سے 9.68 فیصد زیادہ ہے۔ اختتام مدت کے قریب نقد نے اپنی سرمایہ کاری نقد میں رکھی جو 61.6 فیصد تھی۔ 30 جون 2023ء کو نقد کے net اثاثہ جات 2,991 ملین روپے تھے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 100 روپے تھی۔

معیشت اور بازار - مستقبل کا منظر نامہ

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

مالی سال 2024ء کی اوسط مہنگائی میں مالی سال 2023ء میں 29.0 فیصد کے مقابلے میں 19.3 فیصد کمی متوقع ہے کیونکہ base effect اپنا کردار ادا کرے گا۔ مہنگائی میں بتدریج کمی متوقع ہے، اور دوران مدت زرمبادلہ کے ذخائر میں اضافے کی بدولت

یورڈ آف ڈائریکٹرز کی جانب سے الحزاء ڈبلیو ڈیویڈنڈ فنڈ کے اکاؤنٹس کا ہائزہ برائے سال منحصصہ 30 جون 2023ء پیش خدمت ہے۔

سعیت اور بازار کا جائزہ

مالی سال 2023ء پاکستان کے لیے مشکل سال تھا کیونکہ متعدد مجموعی معاشی مسائل ور پیش رہے۔ 2022ء کے مون سون سیلابوں نے بنیادی ساختہ فصلوں اور سولہ شیوں کو بہت نقصان پہنچایا اور قیمتی جانیں بھی ضائع ہوئیں۔ عالمی سطح پر اشیاء 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 سڈ 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۔

ٹیک 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 ہنگامی طور پر کے ساتھ، مثلاً بجلی اور گیس کی قیمتوں میں اضافہ کیا، روپے کی قدر میں کمی ہونے دی، اضافی ٹیکس عائد کیے اور سڈ کی شرحوں کو آئی ایم ایف کے مطالبات کے مطابق بڑھا دیا۔ تاہم آئی ایم ایف کے نوں (9th) جائزے کا اسٹاف لیول اگر بڈٹ (SLA) سال بھر غیر یقینی رہا کیونکہ آئی ایم ایف اور حکومت کے درمیان اتفاق نہیں ہو سکا۔ آئی ایم ایف پروگرام میں تاخیر کے باعث باہمی اور کثیر الجہتی شراکت داروں سے غیر ملکی آمدورفت میں سستی آئی جس کے باعث ذخائر کم ہوئے۔ اس کے نتیجے میں روپے 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۔

ٹیک 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 (اسٹولنگ) میں اضافہ ہوا جس کے باعث ترسیلات زر مشتبہ ذرائع کی طرف مائل ہو گئیں۔ علاوہ ازیں، درآمدات پر مضبوطی لگانے کے نتیجے میں متعدد صنعتوں میں کمی واقع ہوئی اور مجموعی معاشی ترقی متاثر ہوئی۔

ہیڈ لائن مہنگائی، جس کی ترمیمی CPI یعنی سارنی 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۔ اشیاء 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 میں سڈ کی شرحوں کو 1.0 فیصد بڑھا کر 22 فیصد کر دیا تاکہ سڈ کی حقیقی شرح کو ترقی پندہ بنیاد پر مثبت علاقے میں لے جایا جائے اور مہنگائی کی توقعات پر قابو پایا جائے۔

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

Fund Type and Category

Alhamra Daily Dividend Fund is an Open-End Shariah Compliant (Islamic) Income Scheme.

Fund Benchmark

The benchmark for ALHDDF is Six (6) months average deposits rates of three (3) A rated Scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP

Investment Objective

The scheme is aimed at meeting investors' short to medium term investment requirements. The scheme seeks to provide investors' a daily dividend through investment in Shariah Compliant instruments.

Investment Strategy

The Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time. The Fund will distribute daily dividend to the unit holders, which will be reinvested as agreed upon by the unit holders.

Manager's Review

During the period, ALHDDF generated a return of 15.73% as compared to a return of 6.05% witnessed by the Benchmark, outperforming the benchmark by 9.68%. The Fund kept its exposure in cash at 61.6% towards the period end.

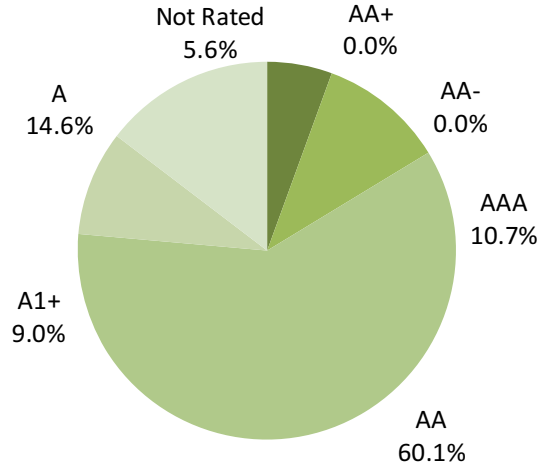
The Net Assets of the fund as at June 30, 2023 stood at Rs. 2,991 million as compared to Rs. 7,652 million at June 30, 2022. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 100.00.

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

Asset Allocation (%age of Total Assets)	Jun-23
Cash	61.6%
Short Term Sukuk	9.0%
Other including receivables	5.6%
Shariah Compliant Bank Deposits	14.6%
Shariah Compliant Placement with Banks and DFIs	9.2%

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

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



Saad Ahmed
Fund Manager

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111, 200
Fax: (92-21) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdc-pak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALHAMRA DAILY DIVIDEND FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Daily Dividend Fund (the Fund) are of the opinion that MCH Investment Management Limited (Formerly MCB-Arif Habib Savings and Investments Limited) being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2023.



REPORT OF THE SHARIAH ADVISORY BOARD

Karachi: September 16, 2023

REPORT OF THE SHARIAH ADVISORY BOARD

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

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

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

- We have reviewed and approved the modes of investment of ALHDDF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHDDF 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 ALHDDF for the year ended June 30, 2023 have been in compliance with Shariah principles.

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



Dr Muhammad Zubair Usmani
(Shariah Advisor)



Dr Ejaz Ahmed Samadani
(Shariah Advisor)

For and on behalf of Shariah Advisory Board

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



EY Fund Services
Chartered Accountants
Shirwan Road, Nazimabad Road
P.O. Box 12242, Karachi 75250
Pakistan

UNR #5221 222 11 99 29 00791
Tel: +9221 2605 0007 ext
Fax: +9221 2606 1762
ey@ehy.com
ey.com/eh

INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alhamra Daily Dividend Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alhamra Daily Dividend 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
<p>1. Existence and valuation of bank balances and investments</p> <p>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 94.47% of the total assets of the Fund as at the year end.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <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.

© Chartered Accountants of Pakistan

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.

© 2022/2021 EY or EY LLP, a U.S. member firm of the EY network.

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



137

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



147

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 Sheikh Ahmed Salman.

Chartered Accountants

Date: 22 September 2023

Place: Karachi

UDIN Number: AR20231007601248Suff

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

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 -----
ASSETS			
Balances with banks	5	1,872,888	7,623,311
Investments	6	1,000,000	-
Profit, advance and other receivables	7	167,980	143,953
Total assets		3,040,868	7,767,264
LIABILITIES			
Payable to the management company	8	8,129	6,056
Accrued expenses and other liabilities	9	39,017	106,397
Dividend payable		3,091	2,710
Total liabilities		50,237	115,163
NET ASSETS		2,990,631	7,652,101
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,990,631	7,652,101
Contingencies and commitments	10		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		29,906,314	76,521,010
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		100.00	100.00

The annexed notes from 1 to 21 form an integral part of these financial statements.

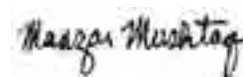
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



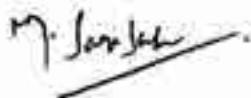
Director

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
INCOME		
Profit on:		
- Balances with banks	452,588	331,119
- Investments	11. 141,532	27,104
Total income	594,120	358,223
EXPENSES		
Remuneration of the management company	8.1 18,931	12,810
Sindh sales tax on remuneration of the management company	8.2 2,461	1,665
Back office operation expense	8.3 898	503
Marketing and selling expense	8.4 21,298	682
Brokerage expense on money market transaction	9	4
Total expenses	43,597	15,664
Net income for the year from operations	550,523	342,559
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	-	7,515
Net income for the year before taxation	550,523	350,074
Taxation	12. -	-
Net income for the year	550,523	350,074
<i>Allocation of net income for the year:</i>		
Net income for the year	550,523	350,074
Income paid on units redeemed	-	-
	550,523	350,074
<i>Accounting income available for distribution:</i>		
- Relating to capital gains	-	-
- Excluding capital gains	550,523	350,074
	550,523	350,074

The annexed notes from 1 to 21 form an integral part of these financial statements.

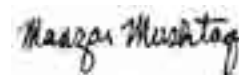
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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 after taxation	550,523	350,074
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>550,523</u>	<u>350,074</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

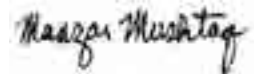
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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	7,652,101	-	7,652,101	2,278,569	-	2,278,569
Issue of 116,023,470 (2022: 169,108,820) units:						
- Capital value (at net assets value per unit at beginning of the year)	11,602,347	-	11,602,347	16,910,882	-	16,910,882
- Element of income	-	-	-	-	-	-
	11,602,347	-	11,602,347	16,910,882	-	16,910,882
Redemption of 162,638,167 (2022: 115,373,502) units:						
- Capital value (at net assets value per unit at beginning of the year)	(16,263,817)	-	(16,263,817)	(11,537,350)	-	(11,537,350)
- Amount paid out of element of income	-	-	-	-	-	-
	(16,263,817)	-	(16,263,817)	(11,537,350)	-	(11,537,350)
Total comprehensive income for the year	-	550,523	550,523	-	350,074	350,074
Distribution during the year (refer note 13)	-	(550,523)	(550,523)	-	(350,074)	(350,074)
Net income for the year less distribution	-	-	-	-	-	-
Net assets at end of the year	2,990,631	-	2,990,631	7,652,101	-	7,652,101
Undistributed income brought forward comprising of:						
- Realised	-			-		
- Unrealised	-			-		
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	550,523			350,074		
	550,523			350,074		
Distribution during the year		(550,523)			(350,074)	
Undistributed income carried forward	-			-		
Undistributed income carried forward comprising of:						
- Realised	-			-		
- Unrealised	-			-		
	-			-		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	100.00			100.00		
Net assets value per unit at end of the year	100.00			100.00		

The annexed notes from 1 to 21 form an integral part of these financial statements.

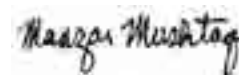
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	550,523	350,074
Adjustments for:		
Profit income	(452,588)	(331,119)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	36,257	(7,515)
	134,192	11,440
Decrease / (Increase) in assets		
Investment - net	(1,000,000)	146,650
Advances and other receivables	(36,257)	(16,035)
	(1,036,257)	130,615
Increase / (Decrease) in liabilities		
Payable to the management company	2,073	5,620
Accrued expenses and other liabilities	(103,637)	45,720
Dividend payable	381	2,364
	(101,183)	53,704
Profit income received	464,818	227,188
Net cash (used in) / generated from operating activities	(538,430)	422,947
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts against issuance of units	11,602,347	16,910,882
Net payments against redemption of units	(16,263,817)	(11,537,350)
Distribution during the year	(550,523)	(350,074)
Net cash (outflow) / inflow from financing activities	(5,211,993)	5,023,458
Net (decrease) / increase in cash and cash equivalents during the year	(5,750,423)	5,446,405
Cash and cash equivalents at beginning of the year	7,623,311	2,176,906
Cash and cash equivalents at end of the year	1,872,888	7,623,311

The annexed notes from 1 to 21 form an integral part of these financial statements.

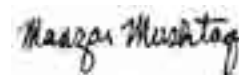
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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 Daily Dividend Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 07, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 30, 2017 in accordance with Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

1.3 The Fund is an open-end mutual fund and has been categorised as "Shariah Compliant Income Scheme" by the Board of Directors of the Management Company and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.

1.4 The Fund shall primarily invest in shariah compliant money market investment and debt securities having good credit rating and liquidity.

1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2022 to the Management Company and AA-(f) to the Fund in its rating report dated February 17, 2023.

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

2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

3. BASIS OF PREPARATION

3.1 Accounting convention

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

3.2 Critical accounting estimates and judgments

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Amendments to approved accounting standards

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

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

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

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

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

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

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

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

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

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 fair value through profit or loss:

- 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.

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

A debt instrument is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- 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
- 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.

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

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 fair value through profit or loss

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

4.3.3 Impairment of financial assets

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

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

4.4 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.

4.5 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.

4.6 Accrued expenses and other liabilities

Accrued expenses and other liabilities are recognised initially at fair value and subsequently stated at amortised cost.

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.

4.8 Other assets

Other assets are stated at cost less impairment losses, if any.

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

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 Issue and redemption of units

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

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

4.14 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Profit on government securities is recognised using effective interest rate method.
- Income on debt securities (including government securities) is recognised using effective interest rate method.

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

- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' and derivatives are included in the Income Statement in the period in which they arise.
- Profit on bank deposits and term deposit receipts is recognised on an accrual basis.

4.15 Expenses

The expense including Management fee is recognised in the Income Statement on accrual basis.

As per clause 6.4 of the Offering Document, the Management Company would bear the expenses of the Fund except for brokerage / transaction costs, taxes, fees, duties applicable to the Fund, including sales tax levied on services offered by the Management Company and any amount which the Shariah Advisor may declare to be Haram and to be paid to charity.

4.16 Dividend distribution and appropriation

All net profit shall be distributed on daily basis and that dividend shall be re-invested after deducting applicable taxes. By, distributing dividend on daily basis, Management Company shall ensure that annual total distribution in an accounting period accumulates to an amount that is required under the tax laws and under regulation in force.

4.17 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current 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 ----- (Rupees in '000) -----	June 30, 2022
5. BALANCES WITH BANKS	Note		
In current account	5.1	74,292	31,282
In saving accounts	5.2	1,798,596	7,592,029
		1,872,888	7,623,311

5.1 These include balances of Rs.42.963 million (June 30, 2022: Rs.18.064 million) maintained with MCB Bank Limited.

5.2 These carry profit at the rates ranging from 12.52% to 20.25% (June 30, 2022: 6.60% to 15.51%) per annum. These balances include Rs.0.111 million (June 30, 2022: Rs.0.456 million) maintained with MCB Islamic Bank Limited (a related party) which carry profit at the rate 18.50% (June 30, 2022: 6.60%).

		June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022
6 INVESTMENTS	Note		
At amortised cost			
Bai Muajjal	6.1.1	280,000	-
Term Deposit receipts	6.1.2	445,000	-
At fair value through profit or loss			
Sukuks-unlisted	6.2	275,000	-
		1,000,000	-

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

6.1 Financial assets at amortised cost

6.1.1 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
Meezan Bank Limited	15.40%	16-Dec-22	-	400,000	400,000	-	-	-
Meezan Bank Limited	15.45%	13-Jan-23	-	375,000	375,000	-	-	-
Meezan Bank Limited	19.50%	20-Mar-23	-	325,000	325,000	-	-	-
Pak Oman Investment Company Limited	19.50%	07-Apr-23	-	321,845	321,845	-	-	-
Faysal Bank Limited	18.00%	07-Apr-23	-	300,000	300,000	-	-	-
Meezan Bank Limited	19.40%	22-Mar-23	-	300,000	300,000	-	-	-
Pak Brunei Investment Company Limited	19.10%	10-Apr-23	-	294,149	294,149	-	-	-
Meezan Bank Limited	20.00%	12-Apr-23	-	295,000	295,000	-	-	-
Meezan Bank Limited	20.05%	26-Apr-23	-	295,000	295,000	-	-	-
Meezan Bank Limited	20.10%	05-Jun-23	-	300,000	300,000	-	-	-
Pak Oman Investment Company Limited	20.30%	13-Jun-23	-	299,788	299,788	-	-	-
Meezan Bank Limited	16.50%	03-Mar-23	-	325,000	325,000	-	-	-
UBL Ameen Islamic Banking	20.35%	21-Jul-23	-	280,000	-	280,000	9.36%	28%
Total as at June 30, 2023				4,110,782	3,830,782	280,000	9.36%	28.00%

Total as at June 30, 2022

-

6.1.2 Term deposit receipts- at amortised cost

investee company	Rate of return per annum	Maturity	Rating	As at July 01, 2022	Face value			As at June 30, 2023	As percentage of net assets	As percentage of total investments
					Purchased during the period	Matured / Sold during the period	(Rupees in '000')			
Meezan Bank Limited	14.15%	19-Aug-22	AAA	-	425,000	425,000	-	-	-	
Askari Bank Limited-Islamic Banking	14.25%	26-Aug-22	AA+	-	400,000	400,000	-	-	-	
Meezan Bank Limited	14.15%	26-Aug-22	AAA	-	425,000	425,000	-	-	-	
Askari Bank Limited-Islamic Banking	15.00%	03-Feb-23	AA+	-	350,000	350,000	-	-	-	
Askari Bank Limited-Islamic Banking	15.95%	06-Mar-23	AA+	-	325,000	325,000	-	-	-	
MCB Islamic Bank Limited	15.15%	24-Aug-23	AAA	-	445,000	-	445,000	14.88%	44.50%	
Total as at June 30, 2023					2,370,000	1,925,000	445,000	14.88%	44.50%	

Total as at June 30, 2022

-

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

6.2 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			Market Value		Investment as a percentage of total issue size
						Carrying value	Market value	Unrealised appreciation / (diminution)	As percentage of net assets	As percentage of total investments	
(Rupees in '000)											
Nishat Mills-Sukuk			400	400	-	-	-	-	-	-	-
Nishat Mills-Sukuk	6.2.1		275	-	275	275,000	275,000	-	9.20%	27.50%	6.88%
Total as at June 30, 2023						<u>275,000</u>	<u>275,000</u>	<u>-</u>	<u>9.20%</u>	<u>27.50%</u>	<u>6.88%</u>
Total as at June 30, 2022						-	-	-	-	-	-

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

6.2.1 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**

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
7. PROFIT, ADVANCE AND OTHER RECEIVABLES			
Receivable from management company		12	68
Profit receivable			
- Bank Balances		34,688	114,828
- Investments		67,909	-
Advance tax deducted at source	7.1	636	621
Other receivables against collection account	7.2	64,735	28,436
		<u>167,980</u>	<u>143,953</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. The amount of withholding tax deducted on 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.

7.2 This include balance of Rs.0.015 million (June 30, 2022: Rs.1.189) million receivable from MCB Bank Limited, a related party.

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	8.1	1,600	2,479
Sales tax on remuneration payable	8.2	208	322
Expenses allocated by the Management Company	8.3	-	19
Selling and marketing expense	8.4	5,739	682
Sales load payable		582	2,554
		<u>8,129</u>	<u>6,056</u>

8.1 As per the offering document, the Management Company has charged management fee at the rate of up to 20% (2022:20%) of the gross earnings of the scheme, calculated on a daily basis.

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

8.3 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.

8.4 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.

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

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Brokerage payable	5	-
Other payables	39,012	106,397
	<u>39,017</u>	<u>106,397</u>

9.1 This include a balance Rs.38.78 million (June 30, 2022: Nil) against profit received on term deposit receipts before maturity maintained with MCB Islamic Bank Limited.

10. CONTINGENCIES AND COMMITMENTS

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

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
11. RETURN ON INVESTMENT		
Term Deposit Receipts	77,251	16,515
Sukuks	27,210	-
Musharaka	4,114	
Bai Muajjal	32,957	3,262
Commercial Paper	-	7,327
	<u>141,532</u>	<u>27,104</u>

12. 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, therefore, no provision for taxation has been recorded in these financial statements.

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

13. 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	0.0418	-	-	3,204	3,204
July 2, 2022	0.0393	-	-	3,014	3,014
July 3, 2022	0.0393	-	-	3,014	3,014
July 4, 2022	0.0392	-	-	2,989	2,989
July 5, 2022	0.0395	-	-	2,550	2,550
July 6, 2022	0.0368	-	-	2,419	2,419
July 7, 2022	0.0348	-	-	2,329	2,329
July 8, 2022	0.0365	-	-	2,446	2,446
July 9, 2022	0.0354	-	-	2,376	2,376
July 10, 2022	0.0354	-	-	2,377	2,377
July 11, 2022	0.0354	-	-	2,377	2,377
July 12, 2022	0.0354	-	-	2,379	2,379
July 13, 2022	0.0353	-	-	2,283	2,283
July 14, 2022	0.0376	-	-	2,366	2,366
July 15, 2022	0.0369	-	-	2,143	2,143
July 16, 2022	0.0378	-	-	2,197	2,197
July 17, 2022	0.0372	-	-	2,162	2,162
July 18, 2022	0.0372	-	-	2,644	2,644
July 19, 2022	0.0364	-	-	2,608	2,608
July 20, 2022	0.0389	-	-	1,751	1,751
July 21, 2022	0.0369	-	-	1,684	1,684
July 22, 2022	0.0365	-	-	1,679	1,679
July 23, 2022	0.0366	-	-	1,686	1,686
July 24, 2022	0.0365	-	-	1,681	1,681
July 25, 2022	0.0365	-	-	1,683	1,683
July 26, 2022	0.0365	-	-	1,690	1,690
July 27, 2022	0.0370	-	-	1,732	1,732
July 28, 2022	0.0367	-	-	1,690	1,690
July 29, 2022	0.0373	-	-	1,785	1,785
July 30, 2022	0.0372	-	-	1,782	1,782
July 31, 2022	0.0370	-	-	1,775	1,775
August 1, 2022	0.0369	-	-	1,770	1,770
August 2, 2022	0.0365	-	-	1,749	1,749
August 3, 2022	0.0388	-	-	1,886	1,886
August 4, 2022	0.0391	-	-	1,911	1,911
August 5, 2022	0.0374	-	-	1,763	1,763
August 6, 2022	0.0384	-	-	1,812	1,812
August 7, 2022	0.0379	-	-	1,790	1,790
August 8, 2022	0.0379	-	-	1,790	1,790
August 9, 2022	0.0378	-	-	1,787	1,787
August 10, 2022	0.0378	-	-	1,784	1,784
August 11, 2022	0.0374	-	-	1,767	1,767
August 12, 2022	0.0370	-	-	1,747	1,747

**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	0.0372	-	-	1,756	1,756
August 14, 2022	0.0371	-	-	1,753	1,753
August 15, 2022	0.0371	-	-	1,748	1,748
August 16, 2022	0.0368	-	-	1,745	1,745
August 17, 2022	0.0376	-	-	1,784	1,784
August 18, 2022	0.0369	-	-	1,749	1,749
August 19, 2022	0.0374	-	-	1,738	1,738
August 20, 2022	0.0375	-	-	1,743	1,743
August 21, 2022	0.0374	-	-	1,739	1,739
August 22, 2022	0.0374	-	-	1,701	1,701
August 23, 2022	0.0378	-	-	1,704	1,704
August 24, 2022	0.0374	-	-	1,681	1,681
August 25, 2022	0.0377	-	-	1,698	1,698
August 26, 2022	0.0375	-	-	1,695	1,695
August 27, 2022	0.0372	-	-	1,683	1,683
August 28, 2022	0.0373	-	-	1,688	1,688
August 29, 2022	0.0372	-	-	1,646	1,646
August 30, 2022	0.0378	-	-	1,679	1,679
August 31, 2022	0.0374	-	-	1,685	1,685
September 1, 2022	0.0378	-	-	1,683	1,683
September 2, 2022	0.0379	-	-	1,699	1,699
September 3, 2022	0.0380	-	-	1,706	1,706
September 4, 2022	0.0379	-	-	1,703	1,703
September 5, 2022	0.0379	-	-	1,698	1,698
September 6, 2022	0.0391	-	-	1,723	1,723
September 7, 2022	0.0392	-	-	1,712	1,712
September 8, 2022	0.0401	-	-	1,564	1,564
September 9, 2022	0.0395	-	-	1,539	1,539
September 10, 2022	0.0395	-	-	1,540	1,540
September 11, 2022	0.0394	-	-	1,538	1,538
September 12, 2022	0.0393	-	-	1,542	1,542
September 13, 2022	0.0391	-	-	1,530	1,530
September 14, 2022	0.0390	-	-	1,532	1,532
September 15, 2022	0.0390	-	-	1,536	1,536
September 16, 2022	0.0398	-	-	1,576	1,576
September 17, 2022	0.0387	-	-	1,533	1,533
September 18, 2022	0.0387	-	-	1,534	1,534
September 19, 2022	0.0387	-	-	1,524	1,524
September 20, 2022	0.0391	-	-	1,540	1,540
September 21, 2022	0.0389	-	-	1,533	1,533
September 22, 2022	0.0389	-	-	1,530	1,530
September 23, 2022	0.0389	-	-	1,526	1,526
September 24, 2022	0.0389	-	-	1,529	1,529
September 25, 2022	0.0389	-	-	1,531	1,531
September 26, 2022	0.0388	-	-	1,529	1,529
September 27, 2022	0.0397	-	-	1,563	1,563
September 28, 2022	0.0391	-	-	1,553	1,553

**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	0.0389	-	-	1,554	1,554
September 30, 2022	0.0389	-	-	1,592	1,592
October 1, 2022	0.0380	-	-	1,558	1,558
October 2, 2022	0.0375	-	-	1,541	1,541
October 3, 2022	0.0374	-	-	1,541	1,541
October 4, 2022	0.0373	-	-	1,539	1,539
October 5, 2022	0.0367	-	-	1,517	1,517
October 6, 2022	0.0364	-	-	1,535	1,535
October 7, 2022	0.0375	-	-	1,557	1,557
October 8, 2022	0.0379	-	-	1,576	1,576
October 9, 2022	0.0377	-	-	1,568	1,568
October 10, 2022	0.0377	-	-	1,564	1,564
October 11, 2022	0.0372	-	-	1,536	1,536
October 12, 2022	0.0376	-	-	1,552	1,552
October 13, 2022	0.0370	-	-	1,527	1,527
October 14, 2022	0.0370	-	-	1,531	1,531
October 15, 2022	0.0369	-	-	1,530	1,530
October 16, 2022	0.0368	-	-	1,526	1,526
October 17, 2022	0.0367	-	-	1,522	1,522
October 18, 2022	0.0373	-	-	1,548	1,548
October 19, 2022	0.0370	-	-	1,513	1,513
October 20, 2022	0.0378	-	-	1,544	1,544
October 21, 2022	0.0372	-	-	1,524	1,524
October 22, 2022	0.0369	-	-	1,513	1,513
October 23, 2022	0.0369	-	-	1,532	1,532
October 24, 2022	0.0368	-	-	1,496	1,496
October 25, 2022	0.0380	-	-	1,550	1,550
October 26, 2022	0.0373	-	-	1,527	1,527
October 27, 2022	0.0378	-	-	1,549	1,549
October 28, 2022	0.0371	-	-	1,522	1,522
October 29, 2022	0.0374	-	-	1,547	1,547
October 30, 2022	0.0369	-	-	1,539	1,539
October 31, 2022	0.0369	-	-	1,530	1,530
November 1, 2022	0.0385	-	-	1,599	1,599
November 2, 2022	0.0375	-	-	1,563	1,563
November 3, 2022	0.0374	-	-	1,561	1,561
November 4, 2022	0.0374	-	-	1,562	1,562
November 5, 2022	0.0373	-	-	1,554	1,554
November 6, 2022	0.0371	-	-	1,542	1,542
November 7, 2022	0.0371	-	-	1,544	1,544
November 8, 2022	0.0369	-	-	1,528	1,528
November 9, 2022	0.0368	-	-	1,527	1,527
November 10, 2022	0.0368	-	-	1,527	1,527
November 11, 2022	0.0376	-	-	1,562	1,562
November 12, 2022	0.0372	-	-	1,542	1,542

**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 13, 2022	0.0371	-	-	1,535	1,535
November 14, 2022	0.0371	-	-	1,477	1,477
November 15, 2022	0.0370	-	-	1,469	1,469
November 16, 2022	0.0373	-	-	1,464	1,464
November 17, 2022	0.0373	-	-	1,465	1,465
November 18, 2022	0.0372	-	-	1,458	1,458
November 19, 2022	0.0384	-	-	1,506	1,506
November 20, 2022	0.0376	-	-	1,477	1,477
November 21, 2022	0.0376	-	-	1,474	1,474
November 22, 2022	0.0385	-	-	1,510	1,510
November 23, 2022	0.0372	-	-	1,462	1,462
November 24, 2022	0.0376	-	-	1,482	1,482
November 25, 2022	0.0374	-	-	1,479	1,479
November 26, 2022	0.0372	-	-	1,469	1,469
November 27, 2022	0.0371	-	-	1,467	1,467
November 28, 2022	0.0370	-	-	1,461	1,461
November 29, 2022	0.0372	-	-	1,453	1,453
November 30, 2022	0.0370	-	-	1,448	1,448
December 1, 2022	0.0361	-	-	1,415	1,415
December 2, 2022	0.0387	-	-	1,518	1,518
December 3, 2022	0.0381	-	-	1,484	1,484
December 4, 2022	0.0379	-	-	1,535	1,535
December 5, 2022	0.0379	-	-	1,543	1,543
December 6, 2022	0.0385	-	-	1,559	1,559
December 7, 2022	0.0375	-	-	1,514	1,514
December 8, 2022	0.0374	-	-	1,512	1,512
December 9, 2022	0.0382	-	-	1,547	1,547
December 10, 2022	0.0384	-	-	1,545	1,545
December 11, 2022	0.0382	-	-	1,538	1,538
December 12, 2022	0.0381	-	-	1,517	1,517
December 13, 2022	0.0383	-	-	1,525	1,525
December 14, 2022	0.0375	-	-	1,478	1,478
December 15, 2022	0.0391	-	-	1,535	1,535
December 16, 2022	0.0377	-	-	1,476	1,476
December 17, 2022	0.0376	-	-	1,463	1,463
December 18, 2022	0.0375	-	-	1,448	1,448
December 19, 2022	0.0375	-	-	1,450	1,450
December 20, 2022	0.0378	-	-	1,465	1,465
December 21, 2022	0.0365	-	-	1,418	1,418
December 22, 2022	0.0372	-	-	1,434	1,434
December 23, 2022	0.0373	-	-	1,422	1,422
December 24, 2022	0.0369	-	-	1,407	1,407
December 25, 2022	0.0368	-	-	1,403	1,403
December 26, 2022	0.0367	-	-	1,402	1,402

**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		
December 27, 2022	0.0372	-	-	1,424	1,424
December 28, 2022	0.0371	-	-	1,422	1,422
December 29, 2022	0.0377	-	-	1,430	1,430
December 30, 2022	0.0373	-	-	1,406	1,406
December 31, 2022	0.0372	-	-	1,406	1,406
January 1, 2023	0.0371	-	-	1,397	1,397
January 2, 2023	0.0357	-	-	1,349	1,349
January 3, 2023	0.0357	-	-	1,350	1,350
January 4, 2023	0.0353	-	-	1,323	1,323
January 5, 2023	0.0354	-	-	1,250	1,250
January 6, 2023	0.0358	-	-	1,265	1,265
January 7, 2023	0.0367	-	-	1,283	1,283
January 8, 2023	0.0364	-	-	1,273	1,273
January 9, 2023	0.0364	-	-	1,276	1,276
January 10, 2023	0.0366	-	-	1,285	1,285
January 11, 2023	0.0390	-	-	1,365	1,365
January 12, 2023	0.0385	-	-	1,309	1,309
January 13, 2023	0.0369	-	-	1,256	1,256
January 14, 2023	0.0359	-	-	1,218	1,218
January 15, 2023	0.0359	-	-	1,222	1,222
January 16, 2023	0.0358	-	-	1,218	1,218
January 17, 2023	0.0366	-	-	1,246	1,246
January 18, 2023	0.0364	-	-	1,202	1,202
January 19, 2023	0.0359	-	-	1,208	1,208
January 20, 2023	0.0353	-	-	1,186	1,186
January 21, 2023	0.0349	-	-	1,176	1,176
January 22, 2023	0.0348	-	-	1,175	1,175
January 23, 2023	0.0348	-	-	1,174	1,174
January 24, 2023	0.0360	-	-	1,215	1,215
January 25, 2023	0.0345	-	-	1,162	1,162
January 26, 2023	0.0362	-	-	1,238	1,238
January 27, 2023	0.0352	-	-	1,203	1,203
January 28, 2023	0.0354	-	-	1,211	1,211
January 29, 2023	0.0354	-	-	1,213	1,213
January 30, 2023	0.0354	-	-	1,217	1,217
January 31, 2023	0.0353	-	-	1,215	1,215
February 1, 2023	0.0358	-	-	1,227	1,227
February 2, 2023	0.0369	-	-	1,259	1,259
February 3, 2023	0.0372	-	-	1,500	1,500
February 4, 2023	0.0380	-	-	1,701	1,701
February 5, 2023	0.0376	-	-	1,420	1,420
February 6, 2023	0.0376	-	-	1,422	1,422
February 7, 2023	0.0379	-	-	1,435	1,435
February 8, 2023	0.0377	-	-	1,427	1,427
February 9, 2023	0.0412	-	-	1,384	1,384
February 10, 2023	0.0412	-	-	1,376	1,376
February 11, 2023	0.0382	-	-	1,274	1,274

**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 12, 2023	0.0380	-	-	1,277	1,277
February 13, 2023	0.0380	-	-	1,280	1,280
February 14, 2023	0.0385	-	-	1,294	1,294
February 15, 2023	0.0381	-	-	1,275	1,275
February 16, 2023	0.0391	-	-	1,301	1,301
February 17, 2023	0.0387	-	-	1,307	1,307
February 18, 2023	0.0381	-	-	1,267	1,267
February 19, 2023	0.0378	-	-	1,255	1,255
February 20, 2023	0.0379	-	-	1,259	1,259
February 21, 2023	0.0381	-	-	1,264	1,264
February 22, 2023	0.0380	-	-	1,255	1,255
February 23, 2023	0.0373	-	-	1,230	1,230
February 24, 2023	0.0368	-	-	1,215	1,215
February 25, 2023	0.0398	-	-	1,306	1,306
February 26, 2023	0.0378	-	-	1,240	1,240
February 27, 2023	0.0378	-	-	1,242	1,242
February 28, 2023	0.0381	-	-	1,254	1,254
March 1, 2023	0.0378	-	-	1,245	1,245
March 2, 2023	0.0372	-	-	1,221	1,221
March 3, 2023	0.0387	-	-	1,259	1,259
March 4, 2023	0.0390	-	-	1,267	1,267
March 5, 2023	0.0387	-	-	1,251	1,251
March 6, 2023	0.0387	-	-	1,253	1,253
March 7, 2023	0.0406	-	-	1,315	1,315
March 8, 2023	0.0421	-	-	1,326	1,326
March 9, 2023	0.0416	-	-	1,291	1,291
March 10, 2023	0.0422	-	-	1,299	1,299
March 11, 2023	0.0418	-	-	1,274	1,274
March 12, 2023	0.0417	-	-	1,270	1,270
March 13, 2023	0.0417	-	-	1,273	1,273
March 14, 2023	0.0429	-	-	1,311	1,311
March 15, 2023	0.0423	-	-	1,389	1,389
March 16, 2023	0.0420	-	-	1,268	1,268
March 17, 2023	0.0449	-	-	1,370	1,370
March 18, 2023	0.0428	-	-	1,307	1,307
March 19, 2023	0.0419	-	-	1,278	1,278
March 20, 2023	0.0418	-	-	1,276	1,276
March 21, 2023	0.0428	-	-	1,307	1,307
March 22, 2023	0.0432	-	-	1,309	1,309
March 23, 2023	0.0431	-	-	1,317	1,317
March 24, 2023	0.0426	-	-	1,277	1,277
March 25, 2023	0.0426	-	-	1,276	1,276
March 26, 2023	0.0426	-	-	1,280	1,280
March 27, 2023	0.0426	-	-	1,284	1,284
March 28, 2023	0.0444	-	-	1,340	1,340
March 29, 2023	0.0417	-	-	1,233	1,233
March 30, 2023	0.0415	-	-	1,223	1,223

**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		
March 31, 2023	0.0407	-	-	1,210	1,210
April 1, 2023	0.0405	-	-	1,205	1,205
April 2, 2023	0.0406	-	-	1,218	1,218
April 3, 2023	0.0405	-	-	1,220	1,220
April 4, 2023	0.0424	-	-	1,280	1,280
April 5, 2023	0.0405	-	-	1,218	1,218
April 6, 2023	0.0418	-	-	1,259	1,259
April 7, 2023	0.0465	-	-	1,395	1,395
April 8, 2023	0.0452	-	-	1,351	1,351
April 9, 2023	0.0442	-	-	1,321	1,321
April 10, 2023	0.0440	-	-	1,319	1,319
April 11, 2023	0.0446	-	-	1,338	1,338
April 12, 2023	0.0444	-	-	1,324	1,324
April 13, 2023	0.0435	-	-	1,299	1,299
April 14, 2023	0.0432	-	-	1,301	1,301
April 15, 2023	0.0431	-	-	1,314	1,314
April 16, 2023	0.0427	-	-	1,309	1,309
April 17, 2023	0.0427	-	-	1,311	1,311
April 18, 2023	0.0444	-	-	1,365	1,365
April 19, 2023	0.0486	-	-	1,961	1,961
April 20, 2023	0.0463	-	-	1,427	1,427
April 21, 2023	0.0431	-	-	1,320	1,320
April 22, 2023	0.0424	-	-	1,276	1,276
April 23, 2023	0.0424	-	-	1,279	1,279
April 24, 2023	0.0423	-	-	1,279	1,279
April 25, 2023	0.0423	-	-	1,280	1,280
April 26, 2023	0.0422	-	-	1,281	1,281
April 27, 2023	0.0503	-	-	1,515	1,515
April 28, 2023	0.0454	-	-	1,381	1,381
April 29, 2023	0.0459	-	-	1,386	1,386
April 30, 2023	0.0451	-	-	1,369	1,369
May 1, 2023	0.0451	-	-	1,373	1,373
May 2, 2023	0.0449	-	-	1,372	1,372
May 3, 2023	0.0499	-	-	1,509	1,509
May 4, 2023	0.0478	-	-	1,438	1,438
May 5, 2023	0.0471	-	-	1,412	1,412
May 6, 2023	0.0489	-	-	1,463	1,463
May 7, 2023	0.0460	-	-	1,374	1,374
May 8, 2023	0.0458	-	-	1,372	1,372
May 9, 2023	0.0516	-	-	1,548	1,548
May 10, 2023	0.0483	-	-	1,445	1,445
May 11, 2023	0.0482	-	-	1,440	1,440
May 12, 2023	0.0477	-	-	1,423	1,423
May 13, 2023	0.0478	-	-	1,435	1,435
May 14, 2023	0.0477	-	-	1,434	1,434
May 15, 2023	0.0476	-	-	1,435	1,435
May 16, 2023	0.0472	-	-	1,425	1,425
May 17, 2023	0.0479	-	-	1,423	1,423
May 18, 2023	0.0480	-	-	1,477	1,477
May 19, 2023	0.0473	-	-	1,447	1,447
May 20, 2023	0.0468	-	-	1,433	1,433

**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 21, 2023	0.0466	-	-	1,434	1,434
May 22, 2023	0.0466	-	-	1,442	1,442
May 23, 2023	0.0471	-	-	1,459	1,459
May 24, 2023	0.0463	-	-	1,430	1,430
May 25, 2023	0.0472	-	-	1,454	1,454
May 26, 2023	0.0480	-	-	1,468	1,468
May 27, 2023	0.0466	-	-	1,376	1,376
May 28, 2023	0.0464	-	-	1,389	1,389
May 29, 2023	0.0463	-	-	1,390	1,390
May 30, 2023	0.0462	-	-	1,391	1,391
May 31, 2023	0.0455	-	-	1,343	1,343
June 1, 2023	0.0458	-	-	1,339	1,339
June 2, 2023	0.0474	-	-	1,378	1,378
June 3, 2023	0.0457	-	-	1,321	1,321
June 4, 2023	0.0453	-	-	1,308	1,308
June 5, 2023	0.0451	-	-	1,305	1,305
June 6, 2023	0.0490	-	-	1,416	1,416
June 7, 2023	0.0457	-	-	1,310	1,310
June 8, 2023	0.0473	-	-	1,353	1,353
June 9, 2023	0.0451	-	-	1,389	1,389
June 10, 2023	0.0508	-	-	1,456	1,456
June 11, 2023	0.0479	-	-	1,469	1,469
June 12, 2023	0.0479	-	-	1,369	1,369
June 13, 2023	0.0475	-	-	1,358	1,358
June 14, 2023	0.0482	-	-	1,371	1,371
June 15, 2023	0.0528	-	-	1,497	1,497
June 16, 2023	0.0476	-	-	1,360	1,360
June 17, 2023	0.0478	-	-	1,397	1,397
June 18, 2023	0.0478	-	-	1,426	1,426
June 19, 2023	0.0477	-	-	1,428	1,428
June 20, 2023	0.0491	-	-	1,470	1,470
June 21, 2023	0.0485	-	-	1,445	1,445
June 22, 2023	0.0489	-	-	1,449	1,449
June 23, 2023	0.0509	-	-	1,517	1,517
June 24, 2023	0.0467	-	-	1,395	1,395
June 25, 2023	0.0468	-	-	1,400	1,400
June 26, 2023	0.0468	-	-	1,395	1,395
June 27, 2023	0.0476	-	-	1,411	1,411
June 28, 2023	0.0548	-	-	1,634	1,634
June 29, 2023	0.0478	-	-	1,428	1,428
June 30, 2023	0.0475	-	-	1,421	1,421

550,523

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.550.523 million (2022: Rs.350.074 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. The SECP has approved the above arrangement vide letter No. SCD/AMCW/MCBAHSIL/ ADDF/297/2018 dated March 13, 2018.

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

14. TRANSACTIONS AND BALANCES OUTSTANDING WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

	For the year ended June 30, 2023						For the period ended June 30, 2022					
	As at July 01, 2022	Issued for cash / conversion in / transferred in (Units)	Redeemed / conversion out / transfer out	As at June 30, 2023	Amount outstanding as at July 1, 2022	Amount outstanding as at June 30, 2023	As at Jul 01, 2021	Issued for cash / conversion in / transferred in (Units)	Redeemed / conversion out / transfer out	As at June 30, 2022	Amount outstanding as at July 1, 2021	Amount outstanding as at June 30, 2022
MCB-Arif Habib Savings And Investments Limited	-	3,178,567	3,178,567	-	-	317,857	-	-	-	-	-	-
Management Company	-	-	-	-	-	-	-	-	-	-	-	-
Group / associated company												
Hyundai Nishat Motor Private Limited - Employees Provident Fund	198,174	101,212	299,386	-	19,817	10,121	-	-	-	-	19,817	-
Adamjee Insurance Company Limited Window Takaful Operations	147	19	-	166	15	2	-	-	-	-	15	17
Directors and executives of the Management Company	129,970	1,553,081	1,655,292	27,759	12,997	155,308	129,970	1,655,292	1,553,081	27,759	12,997	2,776
Mandate under Discretionary Portfolio	2,088,049	1,427,809	3,515,373	485	208,805	142,781	2,088,049	1,427,809	3,515,373	485	208,805	351,537
Units Holders Holding 10% Or More Units	2,034,660	1,285,311	-	3,319,971	203,466	128,531	2,034,660	1,285,311	-	3,319,971	203,466	331,997
Group / associated company												
Hyundai Nishat Motor Private Limited - Employees Provident Fund	-	251,174	53,000	198,174	-	25,117	-	-	-	-	-	19,817
Adamjee Life Assurance Company Limited Window Takaful Operation	-	554,688	554,541	147	-	55,469	-	-	-	-	-	15
Arif Habib Securities Limited - Employees Provident Fund Trust	77,053	97,307	174,360	-	7,705	9,731	77,053	97,307	174,360	-	7,705	(0)
Directors and executives of the Management Company	25,863	914,510	811,264	129,109	2,586	91,451	25,863	914,510	811,264	129,109	2,586	12,911
Mandate under Discretionary Portfolio	-	3,479,075	1,589,202	1,889,873	-	347,907	-	-	-	-	-	188,987
Units Holders Holding 10% or More Units	-	24,678,880	263,491	24,415,389	-	2,467,888	-	-	-	-	-	2,441,539

**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) -----	
14.2 Transactions during the year:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the management company	18,931	12,810
Sindh sales tax on remuneration of the management company	2,461	1,665
Back office operation expense	898	503
Marketing and selling expense	21,298	682
MCB Islamic Bank Limited - Group / associated company		
Profit on balance with bank	123	18
14.3 Balances outstanding at year end:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	1,600	2,479
Sales tax payable on remuneration payable	208	322
Payable against allocated expenses	-	19
Receivable from management company	12	68
Payable against marketing and selling expenses	5,739	682
Sales load payable	582	2,554
Group / associated Companies		
MCB Bank Limited		
Bank balances	42,964	18,064
Other receivable against collection account	15	1,189
MCB Islamic Bank Limited		
Bank balances	111	456
Hyundai Nishat Motor Private Limited - Employees Provident Fund		
Dividend payable	-	8
Adamjee Insurance Company Limited Window Takaful Operations		
Dividend payable	7	-
Directors and executives of the Management Company		
Dividend payable	1	5
Units holders holding 10% or more units		
Dividend payable	134	866

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

15. FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in shariah compliant authorized investments which includes cash in bank deposits with licensed Islamic Banks and licensed Islamic Banking windows of conventional banks and Shariah compliant commercial papers.

15.1 Market risk

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

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

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

15.1.1 Currency risk

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

15.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

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

a) Sensitivity analysis for fixed rate instruments

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

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

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

June 30, 2023						
Exposed to yield / interest rate risk						
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year		More than one year to profit rate risk		Total
		----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial Assets						
Balances with banks	12.52% to 20.25%	1,798,596	-	-	74,292	1,872,888
Investments		-	1,000,000	-	-	1,000,000
Profit and other receivables		-	-	-	167,344	167,344
		<u>1,798,596</u>	<u>1,000,000</u>	<u>-</u>	<u>241,636</u>	<u>3,040,232</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	7,921	7,921
Dividend payable		-	-	-	3,091	3,091
		<u>-</u>	<u>-</u>	<u>-</u>	<u>11,012</u>	<u>11,012</u>
On-balance sheet gap		<u>1,798,596</u>	<u>1,000,000</u>	<u>-</u>	<u>230,624</u>	<u>3,029,220</u>

June 30, 2022						
Exposed to Yield/ Interest rate risk						
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year		More than one year to profit rate risk		Total
		----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial Assets						
Balances with banks	6.60% to 15.51%	7,592,029	-	-	31,282	7,623,311
Investments		-	-	-	-	-
Profit and other receivables		-	-	-	143,332	143,332
		<u>7,592,029</u>	<u>-</u>	<u>-</u>	<u>174,614</u>	<u>7,766,643</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	5,734	5,734
Dividend payable		-	-	-	2,710	2,710
		<u>-</u>	<u>-</u>	<u>-</u>	<u>8,444</u>	<u>8,444</u>
On-balance sheet gap		<u>7,592,029</u>	<u>-</u>	<u>-</u>	<u>166,170</u>	<u>7,758,198</u>

15.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund to price risk.

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

15.2 Credit risk

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

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.

The main concentration to which the Fund is exposed arises from the Fund's bank balances. The Fund is also exposed to counterparty credit risk on deposits and other receivable balances. The Fund's maximum exposure to credit risk related to receivables at June 30, 2023 and June 30, 2022 is the carrying amounts of following financial assets.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2023 and June 30, 2022 is the carrying amounts of following financial assets.

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

	June 30, 2023		June 30, 2022	
	----- (Rupees in '000) -----			
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Balances with banks	1,872,888	1,872,888	7,623,311	7,623,311
Investments	1,000,000	1,000,000	-	-
Profit and other receivables	167,344	167,344	143,332	142,710
	3,040,232	3,040,232	7,766,643	7,766,022

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

	June 30, 2023	June 30, 2022
	----- % -----	
Bank balances by rating category		
A/A1	0%	0.01%
AAA/A1+	2%	58.09%
AA/A1+	98%	38.34%
AA+/A1	0%	0.00%
AA-/A1+	0%	0.21%
A-/A2	0%	0.00%
A+/A1	0%	3.35%
	100%	100%

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

Investments (excluding term deposit receipts) by rating category

Rating	June 30, 2023		June 30, 2022	
	Rupees in	%	Rupees in '000	%
A1+	-	-	-	-
AA	275,000	100%	-	-
AA+	-	-	-	-
	<u>275,000.00</u>	<u>100%</u>	<u>-</u>	<u>-</u>

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.

Accordingly unrated balances including balances from 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.

15.3 Liquidity risk

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

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

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

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

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

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

	June 30, 2023			
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
	----- (Rupees in '000) -----			
Liabilities				
Payable to the Management Company	7,921	7,921	-	-
Dividend payable	3,091	3,091	-	-
	11,012	11,012	-	-

	June 30, 2022			
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
	----- (Rupees in '000) -----			
Liabilities				
Payable to the Management Company	5,734	5,734	-	-
Dividend payable	2,710	2,710	-	-
	8,444	8,444	-	-

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

15.4 Financial instruments by category

	June 30, 2023			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total
	----- (Rupees in '000) -----			
Assets				
Balances with banks	-	-	1,872,888	1,872,888
Investments	-	275,000	725,000	1,000,000
Profit and other receivables	-	-	167,344	167,344
	-	275,000	2,765,232	3,040,232

	June 30, 2023			
	At fair value through profit or loss	Amortised cost	Total	
	----- (Rupees in '000) -----			
Liabilities				
Payable to the Management Company	-	7,921	7,921	7,921
Dividend payable	-	3,091	3,091	3,091
	-	11,012	11,012	11,012

	June 30, 2022			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total
	----- (Rupees in '000) -----			
Assets				
Balances with banks	-	-	7,623,311	7,623,311
Investments	-	-	-	-
Profit and other receivables	-	-	142,710	142,710
	-	-	7,766,021	7,766,021

	June 30, 2022			
	At fair value through profit or loss	Amortised cost	Total	
	----- (Rupees in '000) -----			
Liabilities				
Payable to the Management Company	-	5,734	5,734	5,734
Dividend payable	-	2,710	2,710	2,710
	-	8,444	8,444	8,444

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

16. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

17.1 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.

18. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

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

18.1 Pattern of unit holding	June 30, 2023			
	Number of unit holders	Number of units held	Investment Amount (Rupees '000)	Percentage of total investments
Details of pattern of unit holding				
Individuals	1,491	14,247,886	1,424,788	47.65%
Associated companies	1	166	17	0.00%
Insurance companies	4	826,212	82,621	2.76%
Corporates	14	1,382,672	138,267	4.62%
Retirement funds	7	494,797	49,480	1.65%
Others	10,528	12,954,581	1,295,458	43.32%
	12,045	29,906,314	2,990,631	100.00%

	June 30, 2022			
	Number of unit holders	Number of units held	Investment Amount (Rupees '000)	Percentage of total investments
Individuals	10,437	36,350,934	3,635,093	47.50%
Associated company	2	198,321	19,832	0.30%
Corporates	34	34,060,611	3,406,061	44.50%
Retirement funds	14	3,084,825	308,483	4.00%
Others	13	2,826,319	282,632	3.70%
	10,500	76,521,010	7,652,101	100%

18.2 Attendance at meetings of the Board of Directors

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

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

* These director resigned on May 02, 2023

** These director were appointed on May 02, 2023

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

18.3 Particulars of investment committee and fund manager

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

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

18.4 Other funds managed by the fund manager

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

- MCB Cash Management Optimizer Fund;
- MCB Pakistan Sovereign Fund;
- MCB DCF Income Fund;
- Pakistan Cash Management Fund;
- Pakistan Income Enhancement Fund; and
- MCB Pakistan Fixed Return Fund.

19. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.14% as on June 30, 2023 (2022: 0.49%) and this includes 0.06% (2022: 0.05%) representing Government Levy on management fee.

20. GENERAL

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

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

21. 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.

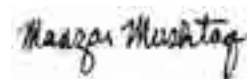
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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
8760	A. 001-10,000	129,377
1484	B. 10,001 – 100,000	528,033
1310	C. 100,001 – 1000,000	4,508,838
491	D. 1000,001 & Above	24,740,066
<u>12,045</u>		<u>29,906,314</u>

