MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
MINUTES OF THE 173RD MEETING OF THE BOARD OF DIRECTORS
HELD ON TUESDAY, FEBRUARY 08, 2022 AT 03:00 P.M.
ADAMJEE HOUSE, I. I. CHUNDRIGAR ROAD, KARACHI

IN ATTENDANCE

SR. NO.	NAME	INITIALS	DESIGNATION
1.	Mr. Haroun Rashid	HR	Chairman
2.	Mr. Nasim Beg	NB	Vice Chairman / Director
3.	Mr. Ahmed Jahangir	AJ	Director
4.	Mirza Qamar Beg	QB	Director
5.	Syed Savail Meekal Hussain	SMH	Director
6.	Mr. Kashif Arif Habib	KAH	Director
7.	Mr. Mavra Adil Khan	MAK	Director
8.	Mr. Muhammad Saqib Saleem	MSS	Chief Executive Officer
9.	Mr. Muhammad Asif Mehdi Rizvi	MAR	Chief Operating and Financial Officer
10.	Mr. Altaf Ahmed Faisal	AAF	Company Secretary

INVITEES

11.	Mr. Junaid Qamar	JQ	Head of Sales
12.	Mr. Moiz Ali	MA	Head of Customer Service and Quality Assurance

All directors attended the meeting through Zoom.

QUORUM

Welcoming the Board members at the 173rd meeting of the Board of Directors, the Company Secretary declared the quorum being present.

AGENDA

1) To confirm the minute of the 173rd meetings of the Board of Directors held on February 08, 2022;

2) To review progress on the issues discussed in the previous Board meetings;

3) To consider and approve matters discussed in Human Resource and Remuneration Committee meetings held on November 18, 2021 and January 04, 2022;

4) To consider and approve matters discussed in Audit Committee meetings held on February 04 and 07, 2022;

5) To consider and approve the un-audited financial statements of MCB-Arif Habib Savings and Investments Limited as recommended by the Audit Committee for the quarter and half year ended December 31, 2021 and Directors' Report thereon;

6) To consider and approve the distribution of interim dividend to the share-holders of MCB-Arif Habib Savings and Investments Limited for the half-year ended December 31, 2021;

7) To consider and approve the un-audited financial statements of the Funds under management as recommended by the Audit Committee for the quarter and half year ended December 31, 2021 and Directors' Reports thereon;

8) <u>Matters relating to legal framework</u>

(a) To consider and approve Vehicle Policy as recommended by Human Resource and Remuneration Committee;
(b) To consider and approve 'Complaint Handling Policy and Procedures';

9) To ratify the resolutions approved through circulations by the Board of Directors from the date of last Board Meeting ;

10) To ratify decisions made by the Investment Committees of various funds to apply mark-up/mark-down in the valuation of debt securities in accordance with the SECP Circular No. 001 of 2009;

11) Any other matter with the permission of the chair.

AGENDA ITEM 1

TO CONFIRM THE MINUTES OF THE 172ND MEETING OF THE BOARD OF DIRECTORS HELD ON FEBRUARY 03, 2022

MAR informed the members that in the 172nd meeting the members had deferred the approval of 171st minutes. MAR informed the members that the minutes of the 171st meeting were circulated within time and no comments have been received. With respect to minutes of 172nd meeting, MAR informed that the minutes were circulated in the morning. The directors informed that they have reviewed both the minutes. Afterwards, the Board members passed the following resolutions;

> ***"RESOLVED THAT***
> *Minutes of the 171st and 172nd meetings of Board of Directors held on October 22, 2021 and February 03, 2022 respectively be and are hereby approved and the Chairman of the meetings be and is hereby authorized to sign the minutes as token of confirmation."*

AGENDA ITEM 2

TO REVIEW PROGRESS ON THE ISSUES DISCUSSED IN THE PREVIOUS BOARD MEETINGS;

While summarizing Company's performance, MAR apprised that during the six months period, AUMs increased from Rs.155 billion to Rs.177 billion and the Company's market share as December 31, 2021 was 12.87%. MAR informed the members that due to higher AUMs the Company earned operating profit of Rs.191 million as compared to Rs. 121 million in corresponding period. However, due to negative returns in equities, the Company earned Rs. 1.8 million on its investments against investment income of Rs. 134 million in corresponding period, resultantly the Company earned profit after taxation of Rs.138 million as compared to Rs. 210 million earned in corresponding period. On query from HR, MAR explained that subsequent to clarification letter issued by Sindh Revenue Board the management reversed the accrual of Sindh Workers Welfare Fund (SWWF) in the Funds, and from August 13, 2021 to August 15, 2021, the Company accrued additional Rs.44.6 million by charging management fees and reimbursements at higher rates.

While comparing KPIs with targets, MSS informed that overall performance of the Company was good and the Company earned operating profit of Rs.190 million as compared to prorated and annual target of Rs.113 million and Rs.226 million respectively. During the six months period, treasury income was

1.69% as compared to target of 1.45% and retail AUMs and equity AUMs reached 29.9% and 18.8% respectively as compared to annual target of 30.8% and 23% respectively. MSS then shared benchmark and status of other KPIs.

a) Business Update

JQ started by sharing slides showing total industry size as well as CIS and SMA portfolio size alongwith peers' comparison. JQ apprised the members that in case of SMA, the Company has largest share and manages SMA AUMs of Rs. 60 billion of which Rs. 54 billion pertains to Adamjee. NB suggested to present discretionary share after excluding Adamjee SMA. On AJ query, MSS informed that in determining KPI target overall market share including CIS and VPS was set. AJ suggested having separate target for CIS.

In case of CIS, the Company witnessed growth of 12.6% compared to industry growth of 6.8%. On query from NB, JQ informed that HBL AMC has hired few senior resources from its parent bank that has significantly helped in increasing money market funds AUMs. . While responding to NB query, JQ imparted that recently Faysal Bank has started to sell Faysal Funds that has helped in increasing Faysal Funds AUMs. JQ furthered that in case of shariah compliant funds, market remained stagnant for the Company whereas NAFA Funds and Al Meezan lost market size. On query from QB, JQ informed that recently some major corporates have shifted from major players to smaller AMCs. HR suggested increasing promotion and marketing activities to capture larger market share. NB suggested going forward equity portion and money market portion be presented separately. JQ then shared AUM statistics and net sales of individual and corporate clients generated through own sales channels of the Company and distributors during the period, both in terms of AUMs and growth compared to June 30, 2021. With respect to HNW, JQ informed that during six months period HNW base has increased from 131 to 142.

b) Management Analysis Report

MAR shared details of budget v/s actual results and comparative number of December 31, 2020 and discussed in detail the variances. Major variance being increased revenue due to higher AUMs and one off exceptional revenue of Rs. 44.6 million (net off Rs. 33 million) because of management fee and reimbursements and recording of sales tax provision of Rs. 12 million. MAR added that due to digital on-boarding Circular the management has restricted marketing budget and expects that with the development of Module from this quarter the Company would re-start digital marketing. On query from KAH, MSS informed that excluding marketing and acquisition cost the digital business is almost breaking even. On NB query, MSS informed that about 20% of digital AUMs are in equity-based funds. Thereafter, following slides were shared and discussed with the Board members:

i. Break-up of investment income of this year. Major unrealized losses were in Pension Funds and equity based funds. Through Income Funds and Money Market Funds the Company earned Rs. 14.7 million and in corresponding period earned Rs. 16.1 million;
ii. AUMs break-up into Funds and SMA;
iii. Funds AUMs break-up into fund category wise, segment wise and channel wise;
iv. Top Five Funds -AUM wise and fees wise;
v. Management fee & reimbursements- category wise;
vi. Management fee earned- channel wise;
vii. Fund wise Net Assets, fees including reimbursements earned and growth compared to June 20, 2021; and
viii. SMA Net Assets segregating into Adamjee and other SMAs and fees earned and growth compared to June 20, 2021.

c) Progress on business through MCB Bank

MAR informed the members that in December quarter AUMs generated by the MCB Bank increased by about Rs. 400 million. MAR then shared slide showing revenue earned by MCB and MCBAH on the sales made through MCB Bank.

d) Regulatory Compliance Certificate

MAR apprised the Board members that duly signed Compliance Certificate was available in the portal. Moreover, MAR informed members that there was no significant issue highlighted by Head of Compliance in Compliance Certificate. NB shared concerns on HR related delays highlighted in Compliance Report.

e) Risk Management Department

MAR apprised the Board members that Risk Management Department in its Report had highlighted list of breaches with respect to Financial Institution and MTS that was also been made available in the portal.

f) Summary of Credit Committee Decisions for the Quarter

AAF briefed the details of all decisions of the Credit Committee taken since the last Board meeting.

g) Progress on pending issues

MAR shared the status on pending matters with the Board members, which were noted by the members.

With respect to review of Risk Policies of the Fund, MAR informed that Credit Committee meeting was held in January 2022 and the Credit Committee has asked to present Credit Policies after comprehensive review by the management. MAR added that the management is reviewing the Policy after which would re-present to the Committee. With respect to Urdu version of ISave MAR informed that the version has been developed and currently the Consultant is reviewing the translation quality after which it would be shared with IT team for development.

With respect to AML/ CFT Manual MAR apprised the members that after issuance of SECP Circular No. 26 of 2021 the management has made changes in the Manual. MAR furthered that along with AML/ CFT Manual the management would present Risk Management Policy for Money Laundering and Terror Financing Risk to sub-committee comprising of NB, MAK and SMH for their review. MAR added that SECP in its Report has also highlighted that the Manual and the Policy needs updation.

MAR apprised that in the HR&R Committee held in January 2022 the Committee had deferred review of Evaluation Form. With respect to review of unit holders having KYC deficiency MAR informed the members that Head of Sales have reviewed 69 high-risk customers of which 13 cases have been completely resolved. Regarding review of competitors number MAR informed the members that after obtaining latest financials of Meezan and NBP Funds, the numbers have been updated and can be shared after which if required specific purpose meeting can be scheduled. NB suggested sharing the numbers.

MAR informed the members that with respect to NPS Audit from PWC the Report has been made part of BOD folder. HR informed that the members have reviewed the actionable items that have been marked resolved and suggested to move to next agenda item. MAR furthered that subsequently Head of Customer Services would be sharing his presentation. Moreover, criteria for determining HNW customers and evaluation of three branches has also been made part of the presentation.

After seeking members approval MA was invited. MA briefed the members on the role and responsibilities of the Department. MA started by briefing on different modes through which the Department interacts with customer. MA informed that contact center staff are given monthly performance bonus if minimum marks are achieved. On NB query, MA informed that based on pre-defined criteria Quality Assurance staff assigns marks the call. MA then briefed the marking criteria of the call and how after incorporating scorecard, agent scorecard have improved. To understand the bell curve of call center agents, AJ requested to share average agent scores of all call center employees.

Thereafter, members were briefed on role and responsibilities of CMU. On MAK query, MA informed that after CMU numbers of complaints have doubled and main chronic issue is redemption. NB suggested that there should be formal mechanism for monitoring complaints on social media pages. MA then briefed members on the features and impacts of sales app. NB requested to install sales app at his mobile.

MA then briefed the members on scope and frequency of various training been imparted by the Training Department. MA added that he along with Business Transformation Department has worked in improving and creating efficiency in processes of on-line redemption payment, debit card delivery, signature differ and updation of customer profile. The members then deliberated in detail KPIs of MA. MA then shared sample of feedbacks received from unit holders.

MA then informed the members that in December 2021 NPS activity was carried out, the Company achieved score of 21 points compared to score of 8 points in May 2021. On NB query, MSS informed that by June 2023 we would achieve score of over 30 and then strive for excellent.

MSS then briefed members the customer segmentation matrix based on which HNW are identified and classified. MSS furthered that customer segmentation classification can be seen by sales agent as well as call agent. With respect to closure of branches in Rahim Yar Khan, Bahawalpur and Quetta JQ informed that only Meezan has a branch in Quetta whereas in these cities very few AMCs are present and operate through their bank branches. JQ then shared slide for various available quarters' branch wise details relating to number of unit holders, net sales and AUMs in these cities. MSS then shared performance of MCBAH branches in these selective cities and estimated cost incurred if to run these branches with an aggressive strategy. MSS then shared snapshot of Isave customers in these selective cities. MSS informed the members that the management believe with signing off with Jazz Cash, liaison with MCB Banks for placing employees in Tier 1, Tier 2 and Tier 3 cities and development of Isave Module, these cities would be covered in efficient and effective manner. After deliberations, it was decided that the Company should request MCB Bank to depute MCBAH staff in these cities after which the mentioned branches could be closed out, for which following resolution was passed.

> ***"RESOLVED THAT***
> *Branches in Quetta, Rahim Yar Khan and Bahawalpur be closed after placing MCBAH resource in MCB Bank branches at Quetta, Rahim Yar Khan and Bahawalpur."*

<u>AGENDA ITEM 3</u>

TO CONSIDER AND APPROVE MATTERS DISCUSSED IN HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETING HELD ON NOVEMBER 18, 2021 AND JANUARY 04, 2022;

MAK informed the members that in the meetings the HR&R Committee had primarily focused and discussed the Mission Statement, Vision Statement and Core Values of the Company. The Committee has agreed to continue with the existing stated Core Values of the Company, however, for Vision Statement and Mission Statement different options have been short-listed and once finalized would be shared with the Board members. HR suggested sharing the short-listed Mission Statement, Vision Statement and Core Values with the Board members.

<u>AGENDA ITEM 4</u>

TO CONSIDER AND APPROVE MATTERS DISCUSSED IN AUDIT COMMITTEE MEETINGS HELD ON FEBRUARY 04 AND 07, 2022;

The Chairman Audit Committee informed the members that with respect to financial statements of the Management Company and the Funds under its management the Audit Committee has reviewed and discussed and has recommended the financial statements of the Management Company and the Funds to the Board. With respect to audit issues, QB briefed the members that the Committee had a detailed review of Internal Audit Report and legal and taxation matters. QB added that synopsis circulated by the Board covers all the important discussions made in the Audit Committee meetings. With respect to transactions with related parties, QB furthered that the Audit Committee had a detail discussion on it and the Committee has recommended Related Party transactions to the Board for approval.

<u>AGENDA ITEM 5</u>

TO CONSIDER AND APPROVE THE AUDITED ANNUAL FINANCIAL STATEMENTS OF MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED AS RECOMMENDED BY THE AUDIT COMMITTEE FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2021 AND DIRECTORS' REPORT THEREON;

MAR informed the members that in-place of KPMG Pakistan & Co. Chartered Accountants this year the Company has appointed A.F. Ferguson PWC & Co. Chartered Accountants as External Auditors of the Management Company. MAR apprised the members that in Audit Committee Meeting, the Auditors' Cover Letters was discussed in detail and the Committee has recommended the Financial Statements to the Board. On HR query, QB informed the members that External Auditors have not highlighted any new issue. NB suggested few changes in the Directors Report, which was incorporated in the Directors Report. After detailed deliberation, the Board members unanimously passed the following resolutions:

> ***"RESOLVED THAT***
> *the un-audited financial statements, as recommended by the Audit Committee, for the quarter and half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;*
>
> ***FURTHER RESOLVED THAT***
> *the Chief Executive Officer, the Chief Financial Officer and one Director shall sign the Un-audited financial statements of the Management Company for the quarter and half year ended December 31, 2021, on behalf of the Board;*
>
> ***FURTHER RESOLVED THAT***
> *the Chief Executive Officer and one director of the Company be and are hereby authorized to sign the Directors' Reports of MCB-Arif Habib Savings and Investments Limited and the funds under management for the quarter and half year ended December 31, 2021, on behalf of the Board;*
>
> ***FURTHER RESOLVED THAT***
> *the transactions related parties as disclosed in note 20 of unaudited financial statements be and hereby approved;*

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Fixed capital expenditure	*8,836,181*
Accrual for bonus to staff	*48,250,000*
Investments disposed of during the period – sale proceeds	*3,403,950,005*
Investments made during the period	*3,322,697,915*

AGENDA ITEM 6

TO CONSIDER AND APPROVE THE DISTRIBUTION OF INTERIM DIVIDEND TO THE SHAREHOLDERS OF MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED FOR THE HALF-YEAR ENDED DECEMBER 31, 2021;

MAR shared working of distributable profit with the members and informed that in the six months the Company has earned profit of Rs. 138 million and an EPS of Rs. 1.92 against Rs2.92 in corresponding period. MAR then shared the historical pattern of distribution of the Company. MAR furthered that in the corresponding period the Company had distributed an interim dividend of Rs. 2.25 and in the current period recommends interim dividend of Rs. 2. The Board members discussed various options with respect to the dividend distribution and decided to distribute dividend of Rs. 2 and the Board members passed following resolutions:

"RESOLVED THAT
Interim dividend of 20 per cent i.e. Rs.2 per ordinary share of Rs.10 each for the half year ended December 31, 2021 be and is hereby approved to be paid to the shareholders whose name appear on the register of members on February 21, 2022;

FURTHER RESOLVED THAT
The closure of share transfer register of the Company from February 22, 2022 to February 24, 2022 (both days inclusive) be and is hereby approved;

FURTHER RESOLVED THAT
MCB Bank Limited be and hereby appointed as the paying agent for direct transfer of dividend in shareholders' bank account as required under the Companies (Distribution of Dividend) Regulations, 2017;

FURTHER RESOLVED THAT
Mr. Muhammad Saqib Saleem - the Chief Executive Officer, Mr. Muhammad Asim – the Chief Investment Officer and Mr. Muhammad Asif Mehdi Rizvi – the Chief Operating and Financial Officer be and are hereby authorized to do all such acts, deeds and things as may be required necessary and incidental thereto to execute the mechanism of cash dividend payment including transfer the amount of dividend to the bank account of MCB Bank Limited for onward distribution to the entitled shareholders."

MCB-ARIF HABIB Savings and Investments Limited

ALHAMRA BACHAT SHARIAT KE MUTABIQ

<u>AGENDA ITEM 7</u>

TO CONSIDER AND APPROVE THE UN-AUDITED FINANCIAL STATEMENTS OF THE FUNDS UNDER MANAGEMENT AS RECOMMENDED BY THE AUDIT COMMITTEE FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2021 AND DIRECTORS' REPORTS THEREON;

MAR informed the members that Audit Committee Meeting had carried out detailed discussions on the financial statements of the Funds whereas funds' performance was reviewed in Funds Performance meeting. On HR query, QB informed the members that the Auditors have not highlighted any significant new issue in their Covering Letter. After discussions, the Board unanimously passed following resolutions.

1. <u>Pakistan Income Fund</u>

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board.

FURTHER RESOLVED THAT
The transactions as mentioned below be and hereby approved:

	Rs. in '000'
Purchase of Government securities – Treasury Bills	*63,602,350*
Sale of Government securities – Treasury Bills	*62,252,350*
Purchase of Government securities – Pakistan Investment Bond	*1,050,000*
Sale of Government securities – Pakistan Investment Bond	*1,850,000*
Purchase of Government securities – Pakistan Investment Bond FRB	*4,600,000*
Sale of Government securities – Pakistan Investment Bond FRB	*4,125,000*
Purchase of Unlisted Debt securities – Term Finance Certificates	*170,593*
Sale of Unlisted Debt securities – Term Finance Certificates	*85,780*
Purchase of Listed Equity Securities	*11,817,725*
Sale of Listed Equity Securities	*11,864,880*
Reversal of Provision of SWWF	*18,571*

2. <u>MCB PAKISTAN SOVEREIGN FUND</u>

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board."

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Purchase of Government securities – Treasury Bills	*10,270,000*
Sale of Government securities – Treasury Bills	*10,595,000*
Purchase of Government securities – Pakistan Investment Bond	*700,000*
Sale of Government securities – Pakistan Investment Bond	*700,000*
Purchase of Government securities – Pakistan Investment Bond FRB	*1,980,000*
Sale of Government securities – Pakistan Investment Bond FRB	*1,580,000*
Reversal of Provision of SWWF	*13,419*

3. MCB DCF INCOME FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board."

FURTHER RESOLVED THAT
The transactions with connected persons / related parties as disclosed in note 15 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Remuneration of the Management Company (including indirect taxes)	*35,602*
Remuneration of the Trustee (including indirect taxes)	*1,780*
Expenses allocated by Management Company	*2,100*
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	*42,902*
Selling and marketing expenses	*8,917*

4. PAKISTAN INCOME ENHANCEMENT FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board."

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 14 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Remuneration of the Management Company (including indirect taxes)	*5,857*
Remuneration of the Trustee (including indirect taxes)	*458*
Expenses allocated by Management Company	*539*
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	*9,434*
Selling and marketing expenses	*165*

5. PAKISTAN CASH MANAGEMENT FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 15 to the condensed interim financial statements be and hereby approved;

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Remuneration of the Management Company (including indirect taxes)	*6,468*
Remuneration of the Trustee (including indirect taxes)	*1,434*

	Rs. in '000'
Expenses allocated by Management Company	*21*
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	*12,614*
Selling and marketing expenses	*2,147*

6. MCB CASH MANAGEMENT OPTIMIZER

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 15 to the condensed interim financial statements be and hereby approved;

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Remuneration of the Management Company (including indirect taxes)	*51,476*
Remuneration of the Trustee (including indirect taxes)	*11,259*
Expenses allocated by Management Company	*10,142*
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	*134,276*
Selling and marketing expenses	*26,838*

7. MCB PAKISTAN STOCK MARKET FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions and balances with related parties / connected persons as disclosed in note 13 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Investments – net	*138,340*
Remuneration of the Management Company	*121,175*
Sales tax on management fee	*15,753*
Expenses allocated by Management Company and related taxes	*6,059*
Selling and marketing expenses	*78,763*

8. ALHAMRA ISLAMIC STOCK FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board.

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 13 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Investments – net	*64,338*
Remuneration of the Management Company	*35,353*
Sales Tax on Management fee	*4,596*
Expenses Allocated by the Management Company and related taxes	*1,768*
Selling and marketing expenses	*22,978*

9. PAKISTAN CAPITAL MARKET FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 14 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Remuneration of the Management Company (including indirect taxes)	*8,806*
Remuneration of the Trustee (including indirect taxes)	*525*
Expenses allocated by the Management Company	*233*
Reversal of Provision against SWWF	*6,269*

10. MCB PAKISTAN ASSET ALLOCATION FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Purchase of Government securities – Treasury Bills	*33,091,000*
Sale of Government securities – Treasury Bills	*33,091,000*
Purchase of Government securities – Pakistan Investment Bond	*1,300,000*
Sale of Government securities – Pakistan Investment Bond	*1,300,000*
Purchase of Government securities – Pakistan Investment Bond FRB	*750,000*
Sale of Government securities – Pakistan Investment Bond FRB	*750,000*
Purchase of Listed Equity Securities	*740,070*
Sale of Listed Equity Securities	*422,785*
Reversal of Provision of SWWF	*15,700*

11. ALHAMRA ISLAMIC MONEY MARKET FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board.

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 15 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Investments – net	*6,399,705*
Remuneration of the Management Company	*10,016*
Sales Tax on Management fee	*1,302*
Expenses Allocated by the Management Company and related taxes	*142*
Selling and marketing expenses	*3,554*

12. ALHAMRA ISLAMIC ASSET ALLOCATION FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions with connected persons / related parties as disclosed in note 15 to the condensed interim financial statements be and hereby approved;

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Remuneration of the Management Company (including indirect taxes)	*43,524*
Remuneration of the Trustee (including indirect taxes)	*1,888*
Expenses allocated by the Management Company	*1,167*
Reversal of Provision against (SWWF)	*18,922*

13. ALHAMRA ISLAMIC INCOME FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board.

FURTHER RESOLVED THAT
The transactions as mentioned below be and hereby approved:

	Rs. in '000'
Purchase of Government securities – GoP Ijara Sukuk	*889,480*
Sale of Government securities – GoP Ijara Sukuk	*704,410*
Investment in Commercial Papers	*529,694*
Investment in Term Deposit Receipt	*700,000*
Maturity of Term Deposit Receipt	*3,200,000*
Investment made and matured in Bai Muajjal	*1,370,061*
Reversal of Provision of SWWF	*24,787*

14. ALHAMRA DAILY DIVIDEND FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions and balances with related parties / connected persons as disclosed in note 15 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Investments – net	*72,285*
Remuneration of the Management Company	*3,407*
Sales tax on management fee	*443*
Expense allocated by the Management Company and related taxes	*484*

15. ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND (SMART PORTFOLIO FUND)

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
The transactions and balances with related parties / connected persons as disclosed in note 12 to the condensed interim financial statements be and hereby approved.

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Investments – net	*(39,276)*
Remuneration of the Management Company	*27*
Sales tax on management fee	*4*
Expenses allocated by Management Company and related taxes	*90*

16. PAKISTAN PENSION FUND

"RESOLVED THAT
the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;

FURTHER RESOLVED THAT
Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;

FURTHER RESOLVED THAT
the transactions as mentioned below be and hereby approved:

	Rs. in '000'
Purchase of Government securities – Treasury Bills	*15,950,000*
Sale of Government securities – Treasury Bills	*15,945,000*
Purchase of Government securities – Pakistan Investment Bond	*1,850,000*
Sale of Government securities – Pakistan Investment Bond	*1,728,500*
Sale of Listed Debt Securities – Term Finance Certificate	*6,435*
Purchase of Listed Equity Securities	*416,479*
Sale of Listed Equity Securities	*290,293*
Reversal of Provision of SWWF	*15,317*

17. ALHAMRA ISLAMIC PENSION FUND

> ***"RESOLVED THAT***
> *the condensed interim financial statements, as recommended by the Audit Committee, for the half year ended December 31, 2021 and the Directors' Report thereon be and are hereby approved;*
>
> ***FURTHER RESOLVED THAT***
> *Chief Executive Officer, Chief Financial Officer and a director shall sign the accounts of the Fund on behalf of the Board;*
>
> ***FURTHER RESOLVED THAT***
> *The transactions as mentioned below be and hereby approved:*

	Rs. in '000'
Purchase of Listed Debt Securities– Term Finance Certificate	*440*
Sale of Listed Debt Securities– Term Finance Certificate	*530*
Purchase of Listed Equity Securities	*342,009*
Sale of Listed Equity Securities	*372,121*
Investment in Commercial Papers	*63,266*
Reversal of Provision of SWWF	*10,098*

AGENDA ITEM 8

MATTERS RELATING TO LEGAL FRAMEWORK

(a) To consider and approve Vehicle Policy as recommended by Human Resource and Remuneration Committee;

AAF informed the members that in HR&R Committee meeting dated November 18, 2021 the members has recommended to change the vehicle policy with respect of Vice President from Toyota Corolla GLI-Manual to Honda City Aspire 1.5 i-VTEC MT. After discussion, following resolution was passed;

> ***"RESOLVED THAT***
> *the Vehicles Policy as recommended by Human Resource and Remuneration Committee by and is hereby approved."*

(b) To consider and approve 'Complaint Handling Policy and Procedures';

AAF informed the members that to add efficiency in the process of Complaint Handling, the management has proposed to revise Complaint Handling Policy. AAF added that previously from lodging of complaint to CRM to escalation and final resolution Call Centre Officer was responsible, however, after adding dedicated staff in Complaint Management Unit (CMU) Call Centre is now responsible for only lodging whereas escalation and final resolution rests with CMU. NB informed the members that he believes there are few gaps in the Policy that needs discussion with Chief Executive.

AGENDA ITEM 9

TO RATIFY THE RESOLUTIONS APPROVED THROUGH CIRCULATIONS BY THE BOARD OF DIRECTORS FROM THE DATE OF LAST BOARD MEETING

MAR apprised the Board Members that the next agenda item was to ratify the transactions executed on behalf of Collective Investment Schemes and Management Company with Connected Persons circulated earlier to the Board Members. MAR informed the Board members that from October 22, 2022 to February 07, 2022 twice Funds had placed TDRs with MCB Islamic Fund, details were shared with the Board vide emails dated December 30, 2021 (AHIIF- Rs. 700 million) and January 31, 2022 (AHIIF- Rs. 700 million and AHDDF- Rs. 250 million) and has also been uploaded for Board reference.

MAR further informed the members that Circular Resolution by Circularization No. 1 of 2022 dated November 26, 2021 was circulated for authorizing Mr. Altaf Ahmed Faisal to provide information to the Registrar for purpose of filing details with respect to Ultimate Beneficial Ownership (UBO). Afterwards, the Board members unanimously passed following resolutions:

> ***"RESOLVED THAT***
> *The transactions executed on behalf of Collective Investment Schemes and Management Company with Connected Persons from October 22, 2021 to February 07, 2022 be and are hereby approved."*
>
> ***FURTHER RESOLVED THAT***
> *as required under regulation no. 19a (6) of the companies (general provisions and forms) regulations, 2018, Mr. Altaf Ahmad Faisal be and is hereby authorized to provide the information required under this regulation to the registrar for verification purposes, or to any other authority or agency pursuant to the powers to call for information entrusted by law to such authority or agency, and to provide further assistance as may be required."*
>
> ***FURTHER RESOLVED THAT***
> *as required under Regulation No. 19A (6) of the of the Companies (General Provisions and Forms) Regulations, 2018, the name and particulars of Mr. Altaf Ahmad Faisal be furnished to the Registrar."*

AGENDA ITEM 10

TO RATIFY DECISIONS MADE BY THE INVESTMENT COMMITTEES OF VARIOUS FUNDS TO APPLY MARK-UP/MARK-DOWN IN THE VALUATION OF DEBT SECURITIES IN ACCORDANCE WITH THE SECP CIRCULAR NO. 001 OF 2009;

Regarding ratifying decisions made by Investment Committee with respect to application of mark-up/ mark-down in the valuation of debt securities from October 22, 2021 to February 07, 2022, as allowed in compliance with SECP Circular No. 01 of 2009, the Board members unanimously passed the following resolution:

> ***"RESOLVED THAT***
> *decisions made by the Investment Committees of various funds to apply mark-up/mark-down in the valuation of debt securities in accordance with the SECP Circular No. 001 of*

2009 for the period from October 22, 2021 to February 07, 2022 be and are hereby approved.”

AGENDA ITEM 11

ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR:

There being no other matter, the meeting was then concluded with vote of thanks from the Chairman.

Prepared by	**Approved by**
Company Secretary	**Chairman**