



MCB FUNDS
Investments for Life

ANNUAL REPORT 2023

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



MCB PAKISTAN ASSET ALLOCATION FUND

Note - Change in Name

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

نوٹ: نام کی تبدیلی

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

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank Limited Zarai Taraqiat Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited	Finca Microfinance Bank Limited HBL Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited The Bank of Khyber
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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

Dear Investor,

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

ECONOMY AND MONEY MARKET REVIEW

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

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

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

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

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

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

EQUITY MARKET REVIEW

The KSE-100 index closed on flattish note, declining by 88 points (-0.2%) in FY23 to close at 41,543 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation, depleting SBP Reserves, and the highest ever interest rates of 22.0%, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review of the IMF Program amid political turbulence in the country further dented investors' sentiments. Nonetheless, by the end of the year, the GoP reassessed its position and made necessary macro adjustments to realign itself with the IMF requirements which restored some confidence back into investors and helped recover mid-year losses.

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

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

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

FUND PERFORMANCE

The fund posted a return of 0.64% during the period under review against the benchmark return of 3.36%. The fund has exposure in equities at 74.7% by the end of June 30, 2023. On the equity side, the fund was mainly invested in Commercial Banks, Oil & Gas Exploration, Textile and Cement. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 611 million as compared to Rs. 838 million as at June 30, 2022 registering a decrease of 27.09%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 76.5925 as compared to opening NAV of Rs. 76.1026 per unit as at June 30, 2022 registering an increase of 0.4899 per unit.

ECONOMY & MARKET – FUTURE OUTLOOK

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

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

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

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

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

90.4% to PKR 429 billion. In addition, the total fixed Income funds increased by about 23.7% since June 2022 to PKR 369 billion. Equity and related funds declined by 27% to PKR 168 billion as concern over macroeconomic factors kept investors at bay.

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

MUTUAL FUND INDUSTRY OUTLOOK

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

MANAGEMENT COMPANY

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

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

CORPORATE GOVERNANCE

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

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

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

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

8.	Mr. Muhammad Saqib Saleem	Executive Director	HR&R* Committee
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* HR&R stands for Human Resource and Remuneration

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

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;
- b. Proper books of accounts of the fund have been maintained;
- c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.;
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;
- f. There are no significant doubts upon the fund's ability to continue as going concern;
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- 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:

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

1. Meeting of the Audit Committee.

During the year, eight (8) meetings of the Audit Committee were held. The attendance of each participant is as follows:

	Name of Persons	Number of meetings held	Number of meetings		
			Attendance required	Attended	Leave granted
1.	Mirza Qamar Beg (Chairman)*	8	8	8	-
2.	Mr. Nasim Beg*	8	8	7	1
3.	Mr. Ahmed Jahangir	8	8	8	-
4.	Mr. Kashif A. Habib*	8	8	6	2
5.	Syed Savail Meekal Hussain	8	8	5	3

* Resigned on May 02, 2023.

2. Meeting of the Human Resource and Remuneration Committee.

During the year, five (5) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

	Name of Persons	Number of meetings	Number of meetings		
			Attendance required	Attended	Leave granted
1.	Mirza Qamar Beg (Chairman)*	5	5	5	-
2.	Mr. Ahmed Jahangir	5	5	5	-
3.	Mr. Nasim Beg*	5	5	5	-
4.	Ms. Mavra Adil Khan	5	5	2	3
5.	Syed Savail Meekal Hussain	5	5	5	-
6.	Mr. Muhammad Saqib Saleem (CEO)	5	5	5	-

* Resigned on May 02, 2023.

- n. No 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.

EXTERNAL AUDITORS

The Fund's external auditor's **M/s. M. Yousuf Adil Saleem & 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.

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

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

اظہارِ تفلک

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

من جانب ڈائریکٹرز،

Mansur Mushtaq

منظرِ مشتاق
ڈائریکٹر

محمد ثاقب سلیم

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
26 جولائی 2023ء

ڈائریکٹرز رپورٹ

میٹنگز کی تعداد			
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ میٹنگز کی تعداد
-	8	8	8
1	7	8	8
-	8	8	8
2	6	8	8
3	5	3	8

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

2. ہیومن ریسورس اینڈ ریویژن کمیٹی کی میٹنگ

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

میٹنگز کی تعداد			
منظور شدہ رخصت	حاضری	مطلوبہ حاضری	منعقدہ میٹنگز کی تعداد
-	5	5	5
-	5	5	5
-	5	5	5
3	2	5	5
-	5	5	5
-	5	5	5

* 02 مئی 2023ء کو مستعفی ہو گئے تھے۔

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

خارجی آڈیٹرز

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

ڈائریکٹرز رپورٹ

انتظامیہ بہترین طریقوں کے حوالے سے کارپوریٹ گورننس کے ضابطہء اخلاق کی دفعات کی بدستور تعمیل کر رہی ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے عزم پر قائم ہے جن میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی وضاحت کی گئی ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے مطلع کیا جاتا ہے کہ:

a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

b. فنڈ کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں؛

c. مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹنگ پالیسیوں کا باقاعدگی کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛

d. مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی - جس حد تک ان کا پاکستان میں اطلاق ہوتا ہے، Non کمپنیز (اسٹیلشمنٹ اینڈ ریگولیشنز) ڈولز 2003ء کی، Non بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ انسٹریٹ ریگولیشنز 2008ء کی، متعلقہ ٹرسٹ ڈیڈ کی ضروریات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کی گئی ہے؛

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

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

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

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

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

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

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

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

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

1. آڈٹ کمیٹی کی میٹنگ

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

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مینجمنٹ کمپنی

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

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

کارپوریٹ گورننس

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

* چار (4) غیر ایگزیکٹو ڈائریکٹرز

* تین (3) خود مختار ڈائریکٹرز

* ایک (1) ایگزیکٹو ڈائریکٹر (CEO)

مندرجہ بالا کی تفصیلات درج ذیل ہیں:

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

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

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

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

میوچل فنڈ صنعت کا جائزہ

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

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

میوچل فنڈ صنعت کی مستقبل کا منظر

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

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

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا منافع 0.64 فیصد تھا، بالمقابل مقررہ معیار (بچ مارک) 3.36 فیصد منافع کے۔ فنڈ نے ایکویٹیز میں سرمایہ کاری کو بڑھا کر 30 جون 2023ء کے اختتام تک 74.7 فیصد کر دیا تھا۔ ایکویٹیز کی جہت میں فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں، سینٹ، ٹیکسٹائل اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 611 ملین روپے تھے، جو 30 جون 2022ء کی سطح 838 ملین روپے کے مقابلے میں 27.09 فیصد کمی ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 76.5925 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی فی یونٹ 76.1025 روپے کے مقابلے میں 0.4899 روپے فی یونٹ کا اضافہ ہے۔

معیشت اور بازار - مستقبل کا منظر نامہ

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

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

ڈائریکٹرز رپورٹ

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

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

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

ایکویٹی مارکیٹ کا جائزہ

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

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

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

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

معیشت اور بازار زر کا جائزہ

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

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

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

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

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

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

Fund Type and Category

MCB Pakistan Asset Allocation Fund MCB-PAAF is an Open-End Asset Allocation Scheme for which SECP categorization in process.

Fund Benchmark

Weighted average of 70% of three (3) months PKRV rates + 30% of three (3) months average deposit rates of three (3) AA rated commercial banks as selected by MUFAP and six (6) month KIBOR and KSE-100 index based on the actual proportion of the scheme in Money market, Fixed income and equity securities

Investment Objective

MCB Pakistan Asset Allocation Fund is an asset allocation fund and its objective is to aim to provide a high absolute return by investing in equity and debt markets.

Investment Strategy

The fund will aim to achieve the above-mentioned objective by investing up to 100% in equity securities or up to 100% in debt securities according to the market conditions.

Manager's Review

The fund posted a return of 0.64% during the period under review against the benchmark return of 3.36%. Equity exposure of the fund at June end was 74.7% whereas cash exposure was 14.7%.

On the equity side, the fund was mainly invested in Oil & Gas Exploration Companies and Cements.

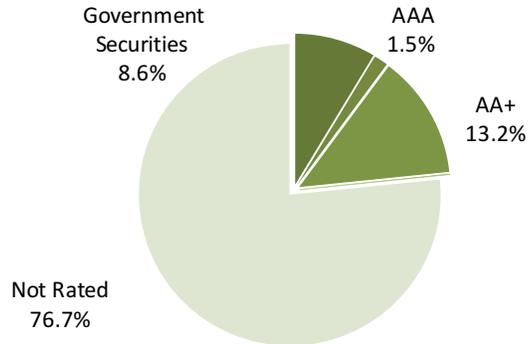
The Net Assets of the Fund as at June 30, 2023 stood at Rs. 611 million as compared to Rs. 838 million as at June 30, 2022 registering a decrease of 27.1%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 76.5925 as compared to opening NAV of Rs. 76.1026 per unit as at June 30, 2022 registering an increase of 0.4899 per unit.

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

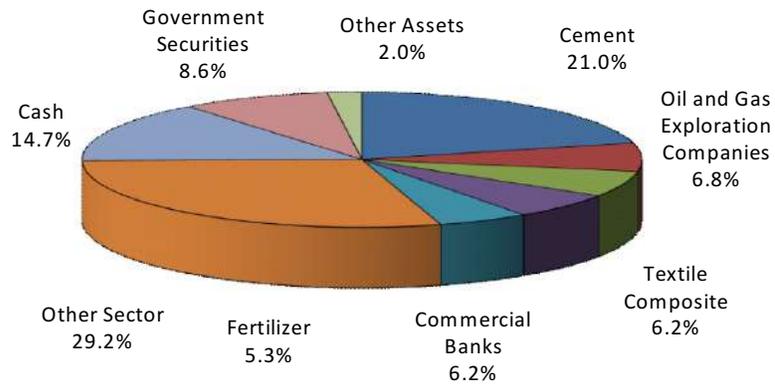
Asset Allocation (%age of Total Assets)	Jun-23
Cash	14.7%
TFCs/Sukuk	0.0%
Stocks / Equities	74.7%
Spread Transactions	0.0%
T-Bills	8.6%
PIBs	0.0%
Others including receivables	2.0%

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

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



Sector Allocation (%age of Total Assets)



Syed Abid Ali
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 Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN ASSET ALLOCATION FUND

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

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

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 25, 2023



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of MCB Pakistan Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MCB Pakistan Asset Allocation Fund (the Fund)**, which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows 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 give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with 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 and MCB Arif Habib Savings and Investments Limited (the Fund Manager) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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 year. This matter was 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 this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	Valuation and existence of investments As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 555 million as at June 30, 2023, consisting of ordinary shares, preference shares and government securities which represent a significant item on the statement of assets and liabilities of the Fund.	We performed the following procedures during our audit of investments: <ul style="list-style-type: none">evaluated design and implementation of controls in place related to purchases and sales of investments;independently tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;

Independent Correspondent Firm to
Deloitte Touche Tahmatou Limited

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How the matter was addressed in our audit
	We have identified the existence and valuation as the significant areas during our audit of investment.	<ul style="list-style-type: none">independently matched the number of shares held by the fund with Central Depository Company's Account Statement;independently matched government securities held by the fund with the securities appearing in the Investors' Portfolio Securities Account Statement; andtested purchases and sales on a sample basis to obtain evidence regarding movement of the securities.

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company 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 auditor's 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 Company and Board of Directors of the Management Company for the Financial Statements

Management Company 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 the Management Company 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 Company 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 Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company 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.



Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company'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 Board of Directors of the Management Company 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 Board of Directors of the Management Company 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.

From the matters communicated with Board of Directors of the Management Company, 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.


Chartered Accountants

Place: Karachi
Date: September 20, 2023
UDIN: AR202310057RluUblzkl

Independent Member Firm to
Deloitte Touche Tohmatsu Limited

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

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 -----
ASSETS			
Bank balances	4	97,614	91,513
Investments	5	555,303	829,059
Dividend and profit receivable	6	3,167	2,506
Receivable against sale of investments		4,465	-
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits and other receivables	7	4,209	4,108
Total assets		665,892	928,320
LIABILITIES			
Payable to Management Company	8	1,922	2,738
Payable to Central Depository Company of Pakistan Limited - Trustee	9	113	159
Payable to the Securities and Exchange Commission of Pakistan	10	144	216
Payable against redemption of units		31	31
Payable against purchase of investments		16,743	51,051
Accrued expenses and other liabilities	11	36,289	36,142
Total liabilities		55,242	90,337
NET ASSETS		610,650	837,983
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		610,650	837,983
CONTINGENCIES AND COMMITMENTS	12		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		7,972,712	11,011,225
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		76.5925	76.1026

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

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



Chief Executive Officer



Chief Financial Officer



Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 ----- (Rupees in '000) -----
INCOME			
Markup / return on Investments	13	5,483	7,572
Loss on sale of investments - net		(34,661)	(88,106)
Markup on deposits with banks		19,765	11,517
Dividend income		59,465	49,518
Unrealised loss on re-measurement of investments at fair value through profit or loss - net	5.2	(18,898)	(74,576)
Other income		139	62
Total income		31,293	(94,013)
EXPENSES			
Remuneration of Management Company	8.1	23,716	32,595
Sindh Sales Tax on remuneration of Management Company	8.2	3,083	4,237
Allocated expenses	8.3	717	1,078
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,433	2,053
Sindh Sales Tax on remuneration of Trustee	9.2	186	267
Annual fee to Securities and Exchange Commission of Pakistan	10	144	216
Brokerage and settlement charges		3,339	4,936
Auditors' remuneration	14	1,025	784
Other expenses		373	667
Total operating expenses		34,016	46,833
Reversal of provision against Sindh Workers' Welfare Fund		-	15,700
Net loss for the year before taxation		(2,723)	(125,146)
Taxation	16	-	-
Net loss for the year after taxation		(2,723)	(125,146)
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
Relating to capital gains		-	-
Excluding capital gains		-	-
Earnings per unit	3.10		

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

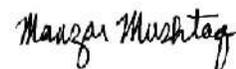
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Net loss for the year after taxation	(2,723)	(125,146)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,723)	(125,146)

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

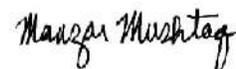
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	For year ended June 30,					
	2023			2022		
	Capital Value	Accumulated Losses	Total	Capital Value	Accumulated Losses	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the year	2,024,393	(1,186,410)	837,983	1,967,011	(1,054,948)	912,063
Issue of 500,428 units (2022: 5,933,228 units)						
- Capital value (at net asset value per unit at the beginning of the year)	38,083	-	38,083	514,112	-	514,112
- Element of loss	(355)	-	(355)	(8,584)	-	(8,584)
	37,728	-	37,728	505,528	-	505,528
Redemption of 3,538,942 units (2022: 5,447,872 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(269,323)	-	(269,323)	(472,056)	-	(472,056)
- Element of income	6,985	-	6,985	23,910	-	23,910
	(262,338)	-	(262,338)	(448,146)	-	(448,146)
Final distributions for the year ended June 30, 2021 (including additional units) at the rate of Rs. 0.6 per unit (Declared on July 01, 2022)	-	-	-	-	(6,316)	(6,316)
Total comprehensive loss for the year	-	(2,723)	(2,723)	-	(125,146)	(125,146)
	-	(2,723)	(2,723)	-	(131,462)	(131,462)
Net assets at end of the year	1,799,783	(1,189,133)	610,650	2,024,393	(1,186,410)	837,983
Undistributed loss brought forward						
- Realised		(1,111,834)			(1,095,583)	
- Unrealised		(74,576)			40,635	
		(1,186,410)			(1,054,948)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(2,723)			(125,146)	
Distributions during the year		-			(6,316)	
Undistributed loss carried forward		(1,189,133)			(1,186,410)	
Undistributed loss carried forward						
- Realised		(1,170,235)			(1,111,834)	
- Unrealised		(18,898)			(74,576)	
		(1,189,133)			(1,186,410)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		<u>76.1026</u>			<u>86.6497</u>	
Net assets value per unit at end of the year		<u>76.5925</u>			<u>76.1026</u>	

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

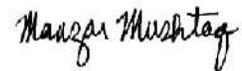
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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 loss for the year before taxation	(2,723)	(125,146)
Adjustments for:		
Unrealised loss on re-measurement of investments at fair value through profit or loss - net	18,898	74,576
Reversal of provision against Sindh Workers' Welfare Fund	-	(15,700)
	16,175	(66,270)
Decrease / (increase) in assets		
Investments - net	262,604	(89,305)
Dividend and profit receivable	(661)	(962)
Receivable against sale of investments	(4,465)	32,702
Advances, deposits and other receivable	(101)	3
	257,377	(57,562)
(Decrease) / increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(816)	475
Payable to Central Depository Company of Pakistan Limited - Trustee	(46)	(25)
Payable to the Securities and Exchange Commission of Pakistan	(72)	(33)
Payable against purchase of investments	(34,308)	41,626
Accrued expenses and other liabilities	147	(859)
	(35,095)	41,184
Net cash generated / (used in) from operating activities	238,457	(82,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	37,728	505,528
Amount paid against redemption of units	(262,338)	(448,146)
Dividend paid	-	(6,316)
Net cash (used in) / generated from financing activities	(224,610)	51,066
Net decrease in cash and cash equivalents during the year	13,847	(31,582)
Cash and cash equivalents at beginning of the year	141,348	172,930
Cash and cash equivalents at end of the year	155,195	141,348

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company was changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" the Fund is required to be re-registered under the said 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 NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 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.
- 1.4 The Fund is an open-end collective investment scheme categorised as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of "AM1" dated October 06, 2022, to the Management Company.
- 1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

2.2 New amendments that are effective for the year ended June 30, 2023

The following amendments are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

2.3 New amendments that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

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

2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are documented in the following accounting policies, notes and relate primarily to:

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Taxation (notes 3.4 and 16)
- Classification and valuation of financial liabilities (notes 3.1.2.1)
- Provision (notes 3.3)
- Contingencies and Commitments (note 12)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been round off to the nearest thousand rupees, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

3.1.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income and foreign exchange revaluation are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to income statement on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Dividends are recognised as income in the income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Financial assets designated at fair value through profit or loss (equity instruments)

Equity investments which the Fund had not irrevocably elected to classify at fair value through OCI are classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the income statement.

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government debt securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV rates) which are based on the remaining tenor of the securities.

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

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limits +50 bps.

Basis of valuation of equity instruments:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's website.

3.1.1.3 Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

The SECP / Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

3.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

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

3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

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

3.4 Taxation

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

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

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

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

3.6 Issue and redemption of units

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

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

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

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

3.7 Net asset value per unit

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

3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Income / profit from investments in term finance certificates / sukuks, MTS transactions and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.9 Expenses

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

3.10 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.

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 ----- (Rupees in '000) -----
4. BANK BALANCES			
In savings accounts	4.1	92,356	86,350
In current accounts	4.2	5,258	5,163
		97,614	91,513

4.1 These carry profit at the rates ranging between 12.25% to 21.5% (2022: 5.50% to 17.05%) per annum. It includes bank balance of Rs. 0.009 million (2022: Rs. 0.006 million) maintained with MCB Bank Limited (a related party).

4.2 This include Rs. 5.25 million (2022: Rs. 5.16 million) maintained with MCB Bank Limited (a related party).

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 ----- (Rupees in '000) -----
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Ordinary shares - Listed	5.1.1	473,722	660,891
Preference shares - Listed	5.1.2	24,000	22,700
Market treasury bills	5.1.3	57,581	145,468
Pakistan investment bonds	5.1.4	-	-
		555,303	829,059

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

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

5.1.1 Ordinary shares - Listed

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	As at July 1, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised (loss) / gain			
(Rupees in '000)											
Automobile Parts and Accessories											
Thal Limited**	27,200	15,000	-	42,200	-	-	-	-	-	-	-
Agriauto Industries Limited**	54,100	-	13,525	4,500	63,125	6,767	3,917	(2,850)	0.64	0.71	0.18
Panther Tyres Limited	4,656	-	-	4,656	-	-	-	-	-	-	-
Gandhara Tyre	-	92,000	-	92,000	-	6,767	3,917	(2,850)	-	-	-
Cable and Electrical Goods											
Pak Elektron Limited	350,000	137,500	-	487,500	-	-	-	-	-	-	-
Cement											
Kohat Cement Company Limited	1,600	54,797	-	4,347	52,050	6,268	9,029	2,761	1.48	1.63	0.03
Gharibwal Cement Limited	200,000	-	-	51,500	148,500	2,896	2,302	(594)	0.38	0.41	0.04
Attock Cement Pakistan Limited	-	59,000	-	55,000	4,000	280	331	51	0.05	0.06	0.00
D.G. Khan Cement Company Limited*	140,000	918,000	-	625,000	433,000	22,141	22,213	72	3.64	4.00	0.10
Fauji Cement Company Limited	2,973,000	812,000	457,500	2,017,500	2,225,000	28,404	26,166	(2,238)	4.28	4.71	0.09
Pioneer Cement Limited	-	43,000	-	-	43,000	3,095	3,725	630	0.61	0.67	0.02
Cherat Cement Company Limited	-	210,000	-	210,000	-	-	-	-	-	-	-
Lucky Cement Limited	61,003	79,001	-	60,004	80,000	35,947	41,767	5,820	6.84	7.52	0.03
Maple Leaf Cement Factory Limited	590,309	2,199,132	-	1,569,441	1,220,000	30,979	34,563	3,584	5.66	6.22	0.11
						130,010	140,096	10,086			
Commercial Banks											
Meezan Bank Limited	369,500	245,944	36,000	430,929	220,515	22,374	19,046	(3,329)	3.12	3.43	0.01
Bank Alfalah Limited	680,281	484,000	-	867,781	296,500	9,558	9,025	(532)	1.48	1.63	0.02
Faysal Bank Limited	1,732,500	66,500	-	1,799,000	-	-	-	-	-	-	-
Habib Bank Limited	293,885	397,860	-	690,745	1,000	66	73	7	0.01	0.01	0.00
Habib Metropolitan Bank Limited	340,000	-	-	340,000	-	-	-	-	-	-	-
BankIslami Pakistan Limited	1,729,500	255,500	-	1,985,000	-	-	-	-	-	-	-
United Bank Limited	192,000	343,000	-	424,000	111,000	12,556	13,047	491	2.14	2.35	0.01
						44,554	41,191	(3,363)			
Engineering											
Mughal Iron and Steel Industries Limited	145,000	314,000	-	159,000	300,000	14,702	14,532	(170)	2.38	2.62	0.09
Aisha Steel Mill Limited	700,000	-	-	700,000	-	-	-	-	-	-	-
						14,702	14,532	(170)			

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

Name of investee company	As at July 1, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised (loss) / gain			
----- (Rupees in '000) -----											
Fertilizer											
Engro Fertilizers Limited	60,000	70,000	-	60,000	70,000	5,945	5,777	(168)	0.95	1.04	0.01
Engro Corporation Limited	65,000	130,000	-	122,000	73,000	20,085	18,972	(1,113)	3.11	3.42	0.01
Fauji Fertilizer Bin Qasim Limited	-	869,000	-	-	869,000	10,053	10,237	184	1.68	1.84	0.07
						<u>36,083</u>	<u>34,986</u>	<u>(1,097)</u>			
Food & Personal Care Products											
Murree Brewery Company Limited	10,650	-	-	-	10,650	4,313	3,089	(1,225)	0.51	0.56	0.04
The Organic Meat Company Limited	360,500	140,000	34,223	226,000	308,723	6,071	6,415	345	1.05	1.16	0.23
Shezhan International Limited	5,627	-	-	5,627	-	-	-	-	-	-	-
National Foods Limited**	-	110,000	-	-	110,000	9,350	10,824	1,474	1.77	1.95	0.05
						<u>19,734</u>	<u>20,328</u>	<u>594</u>			
Glass & Ceramics											
Tariq Glass Industries Limited	86,500	-	-	86,500	-	-	-	-	-	-	-
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	-	592,000	-	402,000	190,000	16,503	14,820	(1,683)	2.43	2.67	0.00
Pakistan Petroleum Limited	-	823,000	-	823,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	8,000	-	8,000	-	-	-	-	-	-	-
Mari Petroleum Company Limited	43,255	2,200	-	25,455	20,000	34,376	30,293	(4,083)	4.96	5.46	0.01
						<u>50,879</u>	<u>45,113</u>	<u>(5,766)</u>			
Oil and Gas Marketing Companies											
Sui Northern Gas Pipelines Limited	-	150,000	-	-	150,000	6,293	5,906	(387)	0.97	1.06	0.00
Shell (Pakistan) Limited	-	40,000	-	-	40,000	3,463	4,626	1,163	0.76	0.83	0.02
						<u>9,756</u>	<u>10,532</u>	<u>776</u>			
Pharmaceuticals											
Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare)	85,400	-	-	30,400	55,000	13,108	7,708	(5,400)	1.26	1.39	0.05
Highnoon Laboratories Limited	17,285	19,500	5,167	17,285	24,667	9,139	8,292	(846)	1.36	1.49	0.05
AGP Limited	-	80,000	-	25,000	55,000	3,080	3,106	26	0.51	0.56	0.02
Citi Pharma limited	540,500	-	-	155,000	385,500	12,583	8,227	(4,356)	1.35	1.48	0.17
Ferozsons Laboratories Limited	-	68,000	4,800	28,800	44,000	6,460	6,021	(439)	0.99	1.08	0.10
						<u>44,370</u>	<u>33,354</u>	<u>(11,015)</u>			
Power Generation and Distribution											
Hub Power Company Limited	-	387,000	-	25,000	362,000	25,502	25,188	(314)	4.12	4.54	0.00
Nishat Chhunian Power Limited	-	460,920	-	460,920	-	-	-	-	-	-	-
						<u>25,502</u>	<u>25,188</u>	<u>(314)</u>			
Textile Composite											
Gul Ahmed Textile Mills Limited	352,354	120,000	62,070	162,000	372,424	9,486	6,633	(2,853)	1.09	1.19	0.05
Interloop Limited	-	506,608	196,492	140,729	562,371	20,840	19,829	(1,011)	3.25	3.57	0.04
Kohinoor Textile Mills Limited	298,000	-	-	4,000	294,000	14,700	14,968	268	2.45	2.70	0.10
Nishat Chhunian Limited	774,345	70,000	-	844,345	-	-	-	-	-	-	-

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

Name of investee company	As at July 1, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	As at June 30, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised (loss) / gain			
----- (Rupees in '000) -----											
Nishat Mills Limited*	30,000	210,000	-	240,000	-	45,026	41,430	(3,596)	-	-	-
Leather & Tanneries											
Bata Pakistan Limited	12,220	-	-	10,300	1,920	4,569	3,426	(1,144)	0.56	0.62	0.03
Service Industries Limited	1	-	-	1	-	4,569	3,426	(1,144)	-	-	-
Chemicals											
Archroma Pakistan Limited	9,100	4,600	-	-	13,700	7,043	6,439	(604)	1.05	1.16	0.04
Refinery											
Attock Refinery Limited	19,000	-	-	19,000	-	-	-	-	-	-	-
Technology & Communications											
Systems Limited	38,000	74,950	-	50,450	62,500	25,803	25,208	(595)	4.13	4.54	0.02
Hum Network Limited**	-	250,000	-	250,000	-	1,437	1,460	23	0.24	-	-
Air Link Communication Limited	248,000	-	-	248,000	-	-	-	-	-	-	-
Paper & Board											
Century Paper & Board Mills Limited	-	70,000	56,000	-	126,000	2,940	3,558	618	0.58	0.64	0.03
Packages Limited	42,000	-	-	8,700	33,300	13,282	12,952	(330)	2.12	2.33	0.04
Miscellaneous											
Shifa International Hospital	180,000	8,000	-	188,000	-	-	-	-	-	-	-
Synthetic Products Limited	-	318,000	-	6,000	312,000	3,160	3,245	85	0.53	0.58	0.16
Tobacco											
Pakistan Tobacco Company Limited	-	9,400	-	-	9,400	8,217	6,768	(1,449)	1.11	1.22	0.00
Total as at June 30, 2023											
						493,834	473,722	(20,112)			
Total as at June 30, 2022						735,242	660,891	(74,351)			

* These denote related parties / connected persons.

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

These have a face value of Rs. 1 per share

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

5.1.1.1 Investments include shares with market value aggregating to Rs 32.085 million (2022: Rs 33.175 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

5.1.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh in favor of CISs.

The Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during that year. On July 11, 2019, the CISs have filed a fresh constitutional petition. In this regard, on July 15, 2019, the High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.762 million (2022: 1 million).

5.1.2 Listed equity securities - Preference Shares

Name of investee company	As at July 1, 2022	Reclassified from 'Available for sale'	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at June 30, 2023	As at June 30, 2023		Market value as percentage of net assets	Market value as percentage of total investments
							Carrying value	Market value		
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	-	2,000,000	22,700	24,000	1,300	4
Total as at June 30, 2023							22,700	24,000	1,300	
Total as at June 30, 2022							22,400	22,700	300	

5.1.2.1 These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 and December 31 will be considered.

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

5.1.3 Market Treasury Bills

Tenor	Issue date	Face value			As at June 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value		
Market Treasury bills - 3 months	21-Apr-22	50,000	45,000	95,000	-	-	-	-	
Market Treasury bills - 3 months	19-May-22	-	16,000	16,000	-	-	-	-	
Market Treasury bills - 3 months	28-Jul-22	-	500,000	500,000	-	-	-	-	
Market Treasury bills - 3 months	6-Oct-22	-	500,000	500,000	-	-	-	-	
Market Treasury bills - 3 months	17-Nov-22	-	635,000	635,000	-	-	-	-	
Market Treasury bills - 3 months	26-Jan-23	-	500,000	500,000	-	-	-	-	
Market Treasury bills - 3 months	6-Apr-23	-	500,000	500,000	-	-	-	-	
Market Treasury bills - 3 months	15-Jun-23	-	560,000	500,000	60,000	57,665	57,581	(84)	
Market Treasury bills - 6 months	21-Apr-22	100,000	-	100,000	-	-	-	-	
Market Treasury bills - 6 months	27-Jan-22	-	19,000	19,000	-	-	-	-	
Market Treasury bills - 6 months	6-Oct-22	-	500,000	500,000	-	-	-	-	
Market Treasury bills - 6 months	15-Jun-23	-	500,000	500,000	-	-	-	-	
Market Treasury bills - 12 months	15-Jun-23	-	500,000	500,000	-	-	-	-	
Total as at June 30, 2023					57,665	57,581	(84)		
Total as at June 30, 2022					145,993	145,468	(525)		

5.1.4 Pakistan investment bonds - Government Securities

Particulars	Issue date	Face value			As at June 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value		
Pakistan Investment Bond - 3 years	05-Aug-21	-	250,000	250,000	-	-	-	-	
Pakistan Investment Bond - 3 years	04-Aug-22	-	600,000	600,000	-	-	-	-	
Pakistan Investment Bond - 5 years	29-Apr-22	-	300,000	300,000	-	-	-	-	
Pakistan Investment Bond - 5 years	13-Oct-22	-	365,000	365,000	-	-	-	-	
Total as at June 30, 2023					-	-	-		
Total as at June 30, 2022					-	-	-		

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

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
5.2	Unrealised (loss) / income on re-measurement of investments at fair value through profit or loss - net		
	Market value as at June 30	555,302	829,059
	Carrying value as at June 30	574,200	(903,635)
		<u>(18,898)</u>	<u>(74,576)</u>
6.	DIVIDEND AND PROFIT RECEIVABLE		
	Dividend receivable	1,024	744
	Profit receivable on deposits with banks	2,143	1,762
		<u>3,167</u>	<u>2,506</u>
7.	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
	Security deposit with Central Depository Company of Pakistan Limited	100	100
	Advance tax	516	415
	Other receivables	37	37
	Receivable against bonus shares withheld	1,056	1,056
		<u>4,209</u>	<u>4,108</u>
8.	PAYABLE TO MANAGEMENT COMPANY		
	Management remuneration payable	1,655	2,331
	Sindh sales tax payable on management remuneration	215	303
	Sales load payable	2	33
	Payable against allocated expenses	50	71
		<u>1,922</u>	<u>2,738</u>

8.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 4% of per annum of the average annual Net Assets of the Scheme calculated on daily basis.

The Management Company has charged management fee at the rate of 3.3% of the net assets.

8.2 During the year, Sindh Sales Tax on management fee has been charged at 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).

Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.

8.4 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) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average daily net assets of the Fund or actual expenses whichever is lower.

In 2019-20 the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company can charge selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expenses. Furthermore, the time limit of three years has also been removed in the revised conditions.

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

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 ----- (Rupees in '000) -----
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	9.1	100	141
Sindh Sales Tax payable on trustee remuneration	9.2	13	18
		113	159

9.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears as per the following tariff structure. There has been no change in the tariff structure during the year

Net Assets Value (NAV)	Tariff per annum
Up to Rs 1,000 million	0.20% of Net Assets per annum
On an amount exceeding Rs. 1,000 million	Rs 2 million plus 0.10% per annum of Net Assets exceeding Rs 1,000 million, whichever is higher

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

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 ----- (Rupees in '000) -----
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to the SECP	10.1	144	216

10.1 Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs, Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

	Note	June 30, 2023 ----- (Rupees in '000) -----	June 30, 2022 ----- (Rupees in '000) -----
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax on			
- Management fee	11.1	19,027	19,027
- Sales load		16,173	16,173
Withholding tax payable (deducted on capital gains)		-	2
Auditors' remuneration payable		674	502
Brokerage payable		233	168
Others		182	270
		36,289	36,142

11.1 Federal Excise Duty and related tax payable

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

On September 4, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and Sales Load with effect from July 1, 2016. However, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2023 aggregates to Rs. 35.20 million (June 30, 2022: Rs. 35.20 million). Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2022 would have been higher by Rs. 4.41 per unit (June 30, 2022: Rs.3.20 per unit).

12. CONTINGENCIES AND COMMITMENTS

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

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
13. MARKUP / RETURN ON INVESTMENTS		
Government securities	5,483	7,572
	5,483	7,572

14. AUDITORS' REMUNERATION

Annual audit fee	500	378
Half yearly review fee	250	260
Other certifications	50	50
Out of pocket expenses	149	38
	949	726
Sales tax	76	58
	1,025	784

15. TOTAL EXPENSE RATIO

The total expense ratio of the fund from July 01, 2022 to June 30, 2023 is 4.73% and this includes 0.52% representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a Collective Investment Scheme categorized as Asset Allocation Scheme.

16. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred net loss during the year ended June 30, 2023, no provision for taxation has been made in these financial statements.

	Note	June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
17. CASH AND CASH EQUIVALENTS			
Bank balance	4.	97,614	91,513
Market Treasury Bills	5.1.3	57,581	49,835
		155,195	141,348

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

18. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

The details of transactions carried out by the Fund with related parties / connected persons and balances with them at the year end are as follows:

18.1 Transactions during the year with connected persons / related parties in units of the Fund:

	For the year ended June 30, 2023							
	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023
	(Units)		(Rupees in '000)					
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	35,272	-	-	35,272	2,684	-	-	2,702
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	3,878,277	-	-	3,878,277	295,147	-	-	297,047
Mandate under Discretionary Portfolio Services	157,085	190,941	60,278	287,748	11,955	14,000	4,498	22,039
Unitholders 10% or more	951,285	-	-	951,285	72,395	-	-	72,861
	Units		(Rupees in '000)					
	As at July 01, 2021	Issued for cash	Redeemed	As at June 30, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at June 30, 2022
MCB Arif Habib Savings and Investments Limited	-	1,572,494	1,572,494	-	-	135,000	124,884	-
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	35,028	244	-	35,272	3,035	21	-	2,684
Adamjee Life Assurance Company Limited - NUJIL Fund	51,887	308	52,195	-	4,496	26	4,602	-
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	1,036,747	3,361,879	520,349	3,878,277	89,324	285,529	43,000	295,147
Key management personnel	22,573	142	22,715	-	1,956	12	1,918	-
Mandate under Discretionary Portfolio Services	499,824	295,078	637,817	157,085	43,310	25,200	51,550	11,955
Unitholders 10% or more	1,293,601	9,020	-	1,302,621	112,090	776	-	99,133

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

18.2 Details of transactions other than units of the Fund with related parties / connected persons during the year

	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	26,799	36,832
Allocated expenses	717	1,078
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	1,619	2,320
CDC settlement charges	57	158
MCB Bank Limited - Holding Company of the Management Company		
Purchase of shares: NIL (2022: 120,446)	-	18,358
Sale of shares: NIL (2021: 120,446)	-	19,240
Profit on bank balances	1	38
Bank charges	6	8
D. G. Khan Cement Company Limited - Group Company of Parent Company		
Purchase of shares: 918,000 (2022: 430,000)	46,850	29,064
Sale of shares: 625,000 (2022: 365,670)	32,935	28,124
Adamjee Insurance Company Limited - Group Company of Parent Company		
Sale of Shares NIL (2022: 14,000)	-	522
Dividend income	-	21
Nishat Mills Limited - Group Company of Parent Company		
Purchase of Shares 210,000 (2022: 30,000)	15,159	2,189
Sale of Shares 240,000 (2022: Nil)	15,676	-
Nishat Chunian Limited - Group Company of Parent Company*		
Purchase of Shares: 70,000 (2022: 974,865)	2,599	47,958
Sale of Shares: 844,345 (2022: 200,520)	28,071	10,397
Dividend income	-	990
Lalpir Power Limited*		
Sale of Shares: NIL (2022: 705,000)	-	11,047
Dividend income	-	705
Power Cement Limited *		
Sale of Shares: NIL (2022: 186,000)	-	1,711
Aisha Steels Mills Limited*		
Purchase of Shares: NIL (2022: 1,050,000)	-	14,977
Sale of Shares: 700,000 (2022: 350,000)	5,612	5,495

* These are no longer related party after April 18, 2023 due to disposal of Shares by Arif Habib Corporation in MCB-Arif Habib Savings and Investments Limited.

18.3 Details of balances with related parties / connected persons as at year end

MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	1,655	2,331
Sindh sales tax payable on management remuneration	215	303
Sales load payable	2	33
Payable against allocated expenses	50	71
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	100	141
Sindh Sales Tax payable on trustee remuneration	13	18
Security deposits	100	100
MCB Bank Limited - Parent of the Management Company		
Bank balances	5,264	5,165
D.G Khan Cement Company Limited - Group Company of Parent Company		
Shares held 433,000 (June 2022: 140,000)	22,213	8,750

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

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

- Level 1:** quoted prices in active markets for identical assets or liabilities;
- Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

	June 30, 2023						
	Carrying amount		Fair Value				
	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
Ordinary shares - Listed	-	473,722	-	473,722	-	-	473,722
Preference shares	-	24,000	-	24,000	-	-	24,000
Market treasury bills	-	57,581	-	57,581	-	57,581	57,581
	-	555,303	-	555,303	497,722	57,581	555,303
Financial assets not measured at fair value							
Bank balances	97,614	-	-	97,614	-	-	-
Dividend and profit receivable	3,167	-	-	3,167	-	-	-
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	1,134	-	-	-
Deposits and other receivables	2,637	-	-	2,637	-	-	-
	104,552	-	-	104,552	-	-	-
Financial liabilities not measured at fair value							
Payable against purchase of investments	16,743	-	-	16,743	-	-	-
Payable to the Management Company	1,707	-	-	1,707	-	-	-
Payable to the Trustee	100	-	-	100	-	-	-
Payable against redemption of units	31	-	-	31	-	-	-
Accrued expenses and other liabilities	1,089	-	-	1,089	-	-	-
	19,670	-	-	19,670	-	-	-

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

20. FINANCIAL RISK MANAGEMENT

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

20.1 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 the 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 price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistan Rupees.

20.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2023 details of Fund's interest bearing financial instruments were as follows:

	Note	June 30, 2023	June 30, 2022
		----- (Rupees) -----	
Variable rate instrument (financial asset)			
Bank balance	4.	92,356	86,350
Investment in Preference Shares	5.1.2	24,000	22,700
		116,356	109,050
Fixed rate instruments (financial assets)			
Market treasury bills	5.1.3	57,581	145,468
		57,581	145,468

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs. 0.92 million (2022: Rs. 89 million).

b) Fair value sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2023, the net income for the year and net assets would be lower / higher by Rs. 0.58 million (2022: Rs.1.45 million).

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

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

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

Particulars	As at June 30, 2023					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
%	(Rupees in '000)					
On-balance sheet financial instruments						
Financial assets						
Bank balances	12.25 to 21.5	92,356	-	-	5,258	97,614
Investments	22.54 & 20.54	57,581	-	24,000	473,722	555,303
Dividend and profit receivable		-	-	-	3,167	3,167
Receivable against sale of investments		-	-	-	4,465	4,465
Receivable from National Clearing Company of Pakistan Limited		-	-	-	1,134	1,134
Deposits and other receivables		-	-	-	2,637	2,637
Sub total		149,937	-	24,000	490,383	664,320
Financial liabilities						
Payable against purchase of investments		-	-	-	16,743	16,743
Payable to the Management Company		-	-	-	1,707	1,707
Payable to the Trustee		-	-	-	100	100
Payable against redemption of units		-	-	-	31	31
Accrued expenses and other liabilities		-	-	-	1,089	1,089
Sub total		-	-	-	19,670	19,670
On-balance sheet gap		149,937	-	24,000	470,713	644,650
Total interest rate sensitivity gap		149,937	-	24,000	470,713	644,650
Cumulative interest rate sensitivity gap		149,937	149,937	173,937		

Particulars	As at June 30, 2022					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
%	(Rupees in '000)					
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50 to 17.05	86,350	-	-	5,163	91,513
Investments	11.19 to 18.85	49,835	95,633	22,700	660,891	829,059
Dividend and profit receivable		-	-	-	2,506	2,506
Receivable against sale of investments		-	-	-	-	-
Receivable from National Clearing Company of Pakistan Limited		-	-	-	1,134	1,134
Deposits and other receivables		-	-	-	2,637	2,637
Sub total		136,185	95,633	22,700	672,331	926,849
Financial liabilities						
Payable against purchase of investments		-	-	-	51,051	51,051
Payable to the Management Company		-	-	-	2,435	2,435
Payable to the Trustee		-	-	-	141	141
Payable against redemption of units		-	-	-	31	31
Accrued expenses and other liabilities		-	-	-	940	940
Sub Total		-	-	-	54,598	54,598
On-balance sheet gap		136,185	95,633	22,700	617,733	872,251
Total interest rate sensitivity gap		136,185	95,633	22,700	617,733	872,251
Cumulative interest rate sensitivity gap		136,185	231,818	254,518		

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

20.1.3 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.

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement by Rs. 23.69 million (2022: Rs. 33.02 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

20.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----				
Bank balances	97,614	97,614	91,513	91,513
Investments	555,303	-	829,059	-
Dividend and profit receivable	3,167	3,167	2,506	2,506
Receivable against sale of investments	4,465	4,465	-	-
Receivable from National Clearing Company of Pakistan Limited	1,134	1,134	1,134	1,134
Deposits and other receivables	4,209	2,637	4,108	2,637
	665,892	109,017	928,320	97,790

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

Bank Balances by rating category

Rating	2023		2022	
	Rupees in '000	%	Rupees in '000	%
AAA	9,888	10.13%	29,619	32.37%
AA+	87,467	89.61%	1,468	1.60%
AA-	33	0.03%	11	0.01%
AA	144	0.15%	16,287	17.80%
A+	49	0.05%	44,065	48.15%
A-	17	0.02%	3	0.00%
A	16	0.02%	60	0.07%
	97,614	100%	91,513	100%

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

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited as of June 30, 2023.

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

Concentration of credit risk

Concentration is the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. 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.

20.3 Liquidity risk

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

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

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

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

June 30, 2023	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
----- (Rupees in '000) -----						
Financial assets						
Bank balances	97,614	-	-	-	-	97,614
Investments	473,722	57,581	-	-	24,000	555,303
Dividend and profit receivable	3,167	-	-	-	-	3,167
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	-	-	1,134
Deposits and other receivables	2,637	-	-	-	-	2,637
	578,274	57,581	-	-	24,000	659,855
Financial liabilities						
Payable to the Management Company	1,707	-	-	-	-	1,707
Payable against purchase of investments	16,743	-	-	-	-	16,743
Payable to the Trustee	100	-	-	-	-	100
Payable against redemption of units	31	-	-	-	-	31
Accrued expenses and other liabilities	1,089	-	-	-	-	1,089
	19,670	-	-	-	-	19,670
	558,604	57,581	-	-	24,000	640,185

June 30, 2022	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
----- Rupees in '000 -----						
Financial assets						
Bank balances	91,513	-	-	-	-	91,513
Investments	710,726	-	95,633	-	22,700	829,059
Dividend and profit receivable	2,506	-	-	-	-	2,506
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	-	-	1,134
Deposits and other receivables	3,695	-	-	-	-	3,695
	809,574	-	95,633	-	22,700	927,907
Financial liabilities						
Payable to the Management Company	2,435	-	-	-	-	2,435
Payable against purchase of investments	51,051	-	-	-	-	51,051
Payable to the Trustee	141	-	-	-	-	141
Payable against redemption of units	31	-	-	-	-	31
Accrued expenses and other liabilities	940	-	-	-	-	940
	54,598	-	-	-	-	54,598
	754,976	-	95,633	-	22,700	873,309

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

21. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

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

21.1 Mr. Syed Abid Ali is the fund manager. Details of the other funds being managed by him are as follows:

- Pakistan Capital Market Fund;
- Pakistan Pension Fund;
- MCB Pakistan Dividend yield Plan

22. TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		June 30, 2023 (Percentage)
1	Ismail Iqbal Securities (Private) Limited	10.08%
2	Khadim Ali Shah Bukhari Securities	8.52%
3	Djm Securities (Private) Limited	8.03%
4	Foundation Securities Limited	6.04%
5	Top Line Securities Private Limited	5.37%
6	Insight Securities Limited	4.89%
7	Optimas Capital Management	4.57%
8	Efg Hermes Pakistan Limited	4.48%
9	Js Global Capital Limited	4.21%
10	Al Habib Capital Markets Private	3.90%
		June 30, 2022 (Percentage)
1	Top Line Securities (Private) Limited	8.49%
2	Foundation Securities Limited	8.40%
3	Ismail Iqbal Securities (Private) Limited	7.79%
4	Arif Habib Limited	7.16%
5	EFG Hermes Pakistan Limited	5.24%
6	DJM Securities (Private) Limited	5.17%
7	JS Global Capital Limited	4.68%
8	Alfalah CLSA Securities ((Private)	4.18%
9	BMA Capital Management Limited	4.17%
10	Intermarket Securities Limited	3.95%

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

23. PATTERN OF UNIT HOLDING

Following is the holding patterns of the Fund as at June 30, 2023 and June 30, 2022.

	As at June 30, 2023			
	Number of Units Holder	Number of units	Investment amount (Rupees in '000)	Percentage investment %
	Individuals	931	2,326,921	178,225
Associated companies	2	3,913,548	299,748	49.09
Retirement funds	8	1,690,051	129,445	21.2
Others	73	42,192	3,232	0.53
	1,014	7,972,712	610,650	100.01

	As at June 30, 2022			
	Number of Units Holder	Number of units	Investment amount (Rupees in '000)	Percentage investment %
	Individuals	1081	4,137,296	314,859
Associated companies	2	3,913,548	297,831	35.54
Retirement funds	14	2,938,522	223,629	26.69
Others	5	21,859	1,664	0.20
	1,102	11,011,225	837,983	100

24. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of persons attending the meetings	Designation	Number of Meetings Held	Number of meetings		Meetings Not Attended
			Attended	Leave Granted	
Mr. Haroun Rashid	Chairman	12	12	0	-
Mr. Nasim Beg*	Director / Vice chairman	12	12	0	-
Mr. Ahmed Jahangir	Director	12	12	0	-
Mr. Mirza Qamar Beg*	Director	12	12	0	-
Syed Savail Meekal Hussain*	Director	12	10	2	185th, 187th
Mr. Kashif A. Habib	Director	12	8	4	180th, 184th, 186th, 187th
Ms. Mavra Adil Khan	Director	12	9	3	178th, 181st, 182nd
Mr. Muhammad Saqib Saleem	Chief Executive Officer	12	12	0	-
Mr. Fahd Kamal Chinoy**	Director	12	1	0	-
Mr. Manzar Mushtaq**	Director	12	1	0	-
Mr. Shoaib Mumtaz**	Director	12	1	0	-

* Resigned in EOGM held on May 02, 2023.

** New Directors elected on the Board of Directors in EOGM held on May 02, 2023.

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

25. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

26. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

27. DATE OF AUTHORISATION FOR ISSUE

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

No. of Unit Holders	Unit holdings	Total units held
557	A. 001-10,000	38,167
298	B. 10,001 – 100,000	121,554
109	C. 100,001 – 1000,000	568,419
50	D. 1000,001 & Above	7,244,572
1,014		7,972,712

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2023

Performance Information	2023	2022	2021	2020	2019
Total Net Assets Value – Rs. in million	610.6500	837.9825	912.0630	1,299.4804	2,047.8450
Net Assets value per unit – Rupees	76.5925	76.1026	86.6497	68.6797	71.2294
Closing Offer Price	79.1890	78.6825	89.5871	71.0079	73.6441
Closing Repurchase Price	73.9960	73.5227	83.7123	68.6797	68.8147
Highest offer price per unit	82.6547	91.8276	92.5623	86.2307	83.6050
Lowest offer price per unit	70.7022	76.9827	71.6108	59.6626	71.8670
Highest Redemption price per unit	79.9446	88.8167	89.5273	83.4033	80.8637
Lowest Redemption price per unit	68.3840	74.4586	69.2628	57.7064	69.5106
Distribution per unit – Rs. *	-	0.6000	-	-	-
Average Annual Return - %					
One year	0.64	-11.56	26.16	-3.58	-9.79
Two year (inception date Mar 11, 2008)	-5.46	7.30	11.29	-6.69	-6.17
Three year	5.08	3.67	4.26	-5.31	-0.93
Net Income / (loss) for the period – Rs. in million	-2.7232	-125.15	324.7000	(40.7604)	(280.6000)
Distribution made during the year – Rs. in million*	-	6.3160	-	-	-
Accumulated Capital Growth – Rs. in million	(2.7232)	(131.4634)	324.7000	(40.7604)	(280.6000)

* Date of Distribution

2023	
Date	Rate

NIL

2022	
Date	Rate

1-Jul-21 0.6

2021	
Date	Rate

NIL

2020	
Date	Rate

NIL

2019	
Date	Rate

NIL

Disclaimer

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

**PROXY ISSUED BY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

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

During the financial year ended June 30, 2023, the Management Company on behalf of MCB-PAAF participated in eleven (11) shareholders' meetings. The Management Company did not participate in shareholders’ meetings in the cases which did not meet the criteria reported in Paragraph No. 8 and 9 of the Proxy Voting Policy and Procedures. Summary of actual proxies voted during the financial year are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	66	64	2	0	-
(%ages)	100	97	3	0	-

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

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