



MCB FUNDS
Investments for Life

ANNUAL REPORT 2023

Alhamra Islamic Pension Fund Managed by
MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)



ISAVE
Savings Asaan. Life Asaan.

ALHAMRA ISLAMIC PENSION 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 سابقہ 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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Vision

“To be the most coveted Savings and Investment company,
while leading the effort to make the saving
population and industry grow”

Mission

“To be the preferred Savings and Investment Manager in Pakistan
by being best in class in customer services
and maximizing stakeholders’ value”

Core Values

HONESTY

We ensure to build trust through responsible actions and honest
relationships with our colleagues, customers and stakeholders

INTEGRITY

We work with integrity in everything we do, and embody our principles
when working with stakeholders as well as internal and external customers.
We assure to promote the integrity for the ultimate benefit for everyone

ETHICS

As a trusted custodian of customer funds, we are committed to
conforming to the highest level of ethical standards in the workplace
that involves putting customer interest first and maintaining
our stakeholders trust in the Company

PROFESSIONALISM

We value everyone and treat our external and internal
customers and our stakeholders with respect, dignity and professionalism

FUND'S INFORMATION

Management Company	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited	Habib Bank Limited National Bank of Pakistan Askari Bank Limited Bank Islamic Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited
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 DIRECTORS OF THE PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Pension 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.

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.

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

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

Debt Fund

The debt sub-fund generated a year-to-date return of 15.07% during the period under review. The sub-fund's exposure in GoP Ijarah Sukuk was at 30.5%, Sukuk were 19.9% while exposure in cash stood at 30.5%. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 452.72 million as compared to Rs. 411.98 million as at June 30, 2022 registering an increase of 9.8%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 300.93 as compared to opening NAV of Rs. 261.52 per unit as at June 30, 2022 registering an increase of Rs. 39.41 per unit.

Money Market Fund

The money market sub-fund generated a year to date return of 16.3% during the period under review. The sub-fund's exposure in cash stood at 57.60%. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 727.98 as compared to Rs. 440.66 million as at June 30, 2022 registering an increase of 65.20%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 274.91 as compared to opening NAV of Rs. 236.38 per unit as at June 30, 2022 registering an increase of Rs. 38.53 per unit.

Equity Fund

The Equity sub-fund generated a return of 0.2% while the KMI-30 posted a return of 2.9%. The sub-fund increased exposure in equities to 95.5% at the end of the period. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 433.70 million as compared to Rs. 597.52 million as at June 30, 2022 registering a decrease of 27.41%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 528.67 as compared to opening NAV of Rs. 527.60 per unit as at June 30, 2022 registering an increase of Rs. 1.07 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%.

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

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual funds industry increased by about 28.9% during FY23 to PKR 1,564 billion. Total money market funds grew by about 34.4% since June 2022. Within the money market sphere, conventional funds showed a growth of 6.1% to PKR 473 billion while Islamic funds increased by 90.4% to PKR 429 billion. In addition, the total fixed Income funds increased by about 23.7% since June 2022 to PKR 369 billion. Equity and related funds declined by 27% to PKR 168 billion as concern over macroeconomic factors kept investors at bay.

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

MUTUAL FUND INDUSTRY OUTLOOK

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

MANAGEMENT COMPANY

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

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

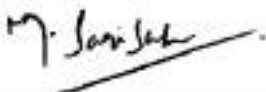
EXTERNAL AUDITORS

The fund's external auditors, **M/s. M. Yousuf Adil Saleem & Co. Chartered Accountants** have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2024. The audit committee of the Board has recommended reappointment of **M/s. M. Yousuf Adil Saleem & Co. Chartered Accountants** as auditors of the fund for the year ending June 30, 2024 and the Board of Directors also endorsed the recommendation of the Audit Committee.

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

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز M/s ایم یوسف عادل سلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اگلے سال مُختتمہ 30 جون 2024ء کے لیے فنڈ کے آڈیٹرز کے طور پر جاری رہنے کی آمادگی کا اظہار کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے سال مُختتمہ 30 جون 2024ء کیلئے M/s ایم یوسف عادل سلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے اور بورڈ آف ڈائریکٹرز نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔

اظہار تشکر

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

من جانب ڈائریکٹرز،



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
26 جولائی 2023ء

میوچل فنڈ صنعت کا جائزہ

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

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

میوچل فنڈ صنعت کی مستقبل کا منظر

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

مینجمنٹ کمپنی

فنڈ کا انتظام ایم سی بی عارف حبیب سیونکز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) نے سنبھالا ہوا ہے جو ایم سی بی بینک لمیٹڈ (ایم سی بی) کی سبسیڈری 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 سیونکز اینڈ انویسٹمنٹس لمیٹڈ سے تبدیل کر کے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کر دیا جائے، اور تبدیلی نام کی رسمی درخواست سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کو منظوری کے لیے بھیج دی گئی 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 نو ماہ پر محیط ہے، اور آئی ایم ایف کی طرف سے SBA کی منظوری سے 1.2 بلین ڈالر فوری طور پر فراہم کر 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 ادائیگیوں کے توازن کے سنگین بحران سے نبرد آزما ہے۔ آئی ایم ایف پروگرام کی کامیاب بحالی سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں مدد ملے گی جس کی بدولت 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 المیعاد میں روپے کی قدر مستحکم رہے گی۔

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

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

حاملینِ 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 انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

کے تناظر میں زرمبادلہ کے خساروں کا تھا جس سے قریب المیاد سرمایہ کاریوں کو خطرہ لاحق ہو گیا تھا۔ آٹوموبیل اسمبلر SBP کی عائد کردہ پابندیوں کے نتیجے میں پست حُجُماتی 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

Debt فنڈ

زیر جائزہ مدت کے دوران Debt ذیلی فنڈ کا سال کا اب تک کا منافع 15.07 فیصد تھا۔ ذیلی فنڈ کی حکومت پاکستان کے اجارہ سٹک میں سرمایہ کاری 30.5 فیصد، سٹک میں 19.9 فیصد، جبکہ نقد میں 30.5 فیصد تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 452.72 ملین روپے تھے، جو 30 جون 2022ء کی سطح 411.98 ملین روپے کے مقابلے میں 9.8 فیصد کا اضافہ ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 300.93 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی فی یونٹ 261.52 روپے کے مقابلے میں 39.41 روپے فی یونٹ کا اضافہ ہے۔

منی مارکیٹ فنڈ

زیر جائزہ مدت کے دوران منی مارکیٹ ذیلی فنڈ کا سال کا اب تک کا منافع 16.3 فیصد تھا۔ ذیلی فنڈ کی سرمایہ کاری نقد میں 57.60 فیصد تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 727.98 ملین روپے تھے، جو 30 جون 2022ء کی سطح 440.66 ملین روپے کے مقابلے میں 65.20 فیصد کا اضافہ ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 274.91 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی فی یونٹ 236.38 روپے کے مقابلے میں 38.53 روپے فی یونٹ کا اضافہ ہے۔

ایکویٹی فنڈ

ایکویٹی ذیلی فنڈ کا منافع 0.2 فیصد تھا جبکہ KMI-30 کا منافع 2.9 فیصد تھا۔ اختتام مدت پر ذیلی فنڈ نے ایکویٹیز میں سرمایہ کاری کو بڑھا کر 95.5 فیصد کر دیا۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 433.70 ملین روپے تھے، جو 30 جون 2022ء کی سطح 597.52 ملین روپے کے مقابلے میں 27.41 فیصد کمی ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 528.67 روپے تھی، جو 30 جون 2022ء پر ابتدائی این اے وی فی یونٹ 527.60 روپے کے مقابلے میں 1.07 روپے فی یونٹ کا اضافہ ہے۔

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 وصولی 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۔

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

ایکویٹی مارکیٹ کا جائزہ

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

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

انڈیکس کی گراوٹ میں سب سے بڑا ہاتھ دواساز، دیگر، آٹو اسمبلرز، اور ریفرنری 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 الحمد للہ اسلامک پینشن فنڈ کے اکاؤنٹس کا جائزہ برائے سال مُختتمہ 30 جون 2023ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2023ء پاکستان کے لیے مشکل سال تھا کیونکہ متعدد مجموعی معاشی مسائل درپیش رہے۔ 2022ء کے مون سون سیلابوں نے بنیادی ساخت، فصلوں اور موسیقیوں کو بہت نقصان پہنچایا اور قیمتی جانیں بھی ضائع ہوئیں۔ عالمی سطح پر اشیاء کی قیمتوں میں اضافے اور کرنسی کی قدر میں کمی کے باعث مہنگائی کی ایسی لہر آئی جو 1974ء کے بعد سب سے بڑی تھی اور اس کے نتیجے میں سود 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 زیر مبادلہ 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 سود کی شرحوں کو آئی ایم ایف کے مطالبات کے مطابق بڑھا دیا۔ تاہم آئی ایم ایف کے نويس (9th) جائزے کا اسٹاف لیول اگریمینٹ (SLA) سال بھر غیر یقینی رہا کیونکہ آئی ایم ایف اور حکومت کے درمیان اتفاق نہیں ہو سکا۔ آئی ایم ایف پروگرام میں تاخیر کے باعث باہمی اور کثیر الجہتی شراکت داروں سے غیر ملکی آمدورفت میں 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۔ اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ مہنگائی کے دباؤ وسیع پیمانے پر محیط تھے جس کا اظہار بنیادی مہنگائی میں 21.2 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے جون 2023ء کی تازہ ترین MPS

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

Fund Type and Category

Alhamra Islamic Pension Fund (ALHIPF) is an open-end shariah complaint voluntary pension scheme.

Investment Objective:

The investment objective of the fund is to seek steady returns with a moderate risk for investors by investing in a portfolio of equity, short medium term debt and money market instruments.

Investment Strategy:

ALHIPF is a flexible savings cum investments plan under the voluntary pension system which facilitates all individuals who are Pakistani nationals, to save for their retirement in a systematic way, and allows special tax rebate on the contributions under this system. The investors have a choice between various allocation schemes that PIPF offers, each of which is invested in different proportions in the three sub funds: Equity, debts and Money markets. Equity sub fund invests up to 90% of its assets in equity securities. Sector/stock selection is done on the basis of fundamental outlook and DCF valuations and meeting shariah compliance criteria. Debt sub fund invests in Sukuk and other shariah complaint debt instruments of duration of less than 5 years. Money market sub fund invests in short dated shariah complaint money market instruments.

Manager's Review

Equity Sub- Fund

The Equity sub-fund generated a return of 0.20%. The sub-fund increased exposure to equities from 95.5% to 91.9% during the period. It was mainly invested in Oil & Gas Exploration Companies and Cement.

The Net Assets of the Fund as at June 30, 2023 stood at Rs. 433.70 million as compared to Rs. 597.52 million as at June 30, 2022 registering a decrease of 27.4%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 528.67 as compared to opening NAV of Rs. 527.60 per unit as at June 30, 2022 registering an increase of Rs. 1.07 per unit.

Money Market Sub-Fund

The money market sub-fund generated an annualized return of 16.30% during the period under review. The sub-fund's exposure in cash stood at 57.6% while it was 25.8% invested in Ijarah Sukuk.

The Net Assets of the Fund as at June 30, 2023 stood at Rs. 727.98 million as compared to Rs. 440.66 million as at June 30, 2022 registering an increase of 65.2%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 274.91 as compared to opening NAV of Rs. 236.38 per unit as at June 30, 2022 registering an increase of Rs. 38.53 per unit.

Debt Sub-fund

The debt sub-fund generated an annualized return of 15.07% during the period under review. The sub-fund's exposure in GoP Ijarah Sukuk was at 30.5%, While exposure in cash stood at 30.3%.

The Net Assets of the Fund as at June 30, 2023 stood at Rs. 452.72 million as compared to Rs. 411.98 million as at June 30, 2022 registering an increase of 9.9%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs.

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

300.93 as compared to opening NAV of Rs. 261.52 per unit as at June 30, 2022 registering an increase of Rs. 39.41 per unit.

Asset Allocation (MM sub-fund) as on June 30, 2023 (% of Total Assets)

ALHIPF -Money Market (%age of Total Assets)	Jun-23
Cash	57.6%
GoP Ijara Sukuk	25.8%
Shariah Compliant Bank Deposits	0.0%
Others including receivables	4.3%
Shariah Compliant Commercial Paper	0.0%
Sukuks	12.3%
Shariah Compliant Placement in Banks & DFIs	0.0%

Asset Allocation (Debt sub-fund) as on June 30, 2023 (% of Total Assets)

ALHIPF-Debt (%age of Total Assets)	Jun-23
Cash	30.3%
GoP Ijara Sukuk	30.5%
Others including receivables	3.9%
Sukuks	19.9%
Shariah Compliant Commercial Paper	0.0%
Government Backed/ Guaranteed Securities	15.4%

Asset Allocation (Equity sub-fund) as on June 30, 2023 (% of Total Assets)

ALHIPF-Equity (%age of Total Assets)	Jun-23
Cement	29.1%
Oil and Gas Exploration Companies	13.9%
Fertilizer	9.6%
Commercial Banks	8.0%
Textile Composite	7.6%
Other equity sectors	27.4%
Cash	0.7%
Others including receivables	3.7%

Jawad Naeem
Fund Manager

TRUSTEE REPORT TO THE PARTICIPANTS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shuhra-e-Faisal
Karachi - 74400, Pakistan
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

ALHAMRA ISLAMIC PENSION FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Islamic Pension Fund (the Fund) are of the opinion that MCB Investment Management Limited (Formerly MCB-Arif Habib Savings and Investments Limited) being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2023



REPORT OF THE SHARIAH ADVISORY BOARD

Karachi: September 16, 2023

REPORT OF THE SHARIAH ADVISORY BOARD

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

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

For Equity Sub Fund, we have advised a criteria for screening equities in the local stock market, on the basis of the following: (1) Nature of business (2) Interest bearing debt in relation to the total assets, (3) Illiquid assets in the relation to the total assets, (4) Investment in non-Shariah complaint activities to total assets, (5) Income from non-complaint investment to Gross revenues and (6) Net liquid assets per share vs. share price.

For Debt & Money Market Sub Funds, we have prescribed a criteria and procedures to be followed in ensuring Shariah compliance in every investment.

As part of our mandate as Shariah Advisor, we have reviewed the following, during the period;

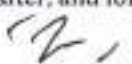
- The modes of investment of the Fund's property and its compliance with the Shariah guidelines.
- Shariah compliance of new investment avenues proposed by MCBAH.

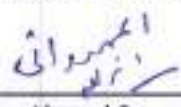
In the light of the above scope, we hereby certify that all the provisions of the scheme and investments made by the Fund (including all three sub funds) for the year ended 30th June 2023 are in compliance with the Shariah principles.

The pension fund manager has been directed to set aside as charity the amount earned as interest from conventional banks and investments made by the fund where investee companies have earned a part of their income from non-complaint sources (e.g. interest income etc). In such cases, the management company has been directed to set aside as charity such proportion of the income from investee companies in order to purify the earnings of the Fund.

During the year an amount of Rupees 1,090,116.34 was transferred to the charity account. The total amount of charity payable as at June 30, 2023 amounts to Rs. 1,090,116.34.

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


Dr Muhammad Zubair Usmani
(Shariah Advisor)


Dr Ejaz Ahmed Samadani
(Shariah Advisor)

For and on behalf of Shariah Advisory Board



Yousuf Adil
Chartered Accountants

Ceviah Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
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Independent Reasonable Assurance Report to the Participants of Alhamra Islamic Pension Fund in respect of Shariah Compliance

1. Introduction

We were engaged by the Board of Directors of MCB-Arif Habib Savings and Investments Limited (the Pension Fund Manager) to report on the Shariah compliance of Alhamra Islamic Pension Fund (the Fund), as set out in the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments for the year ended June 30, 2023, in the form of an independent reasonable assurance conclusion. Our engagement was carried out as required under Clause 3.4.8 of the Trust Deed of the Fund.

2. Applicable criteria

The criteria against which the Shariah compliance of the Fund is assessed is the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investment.

3. Responsibility of Pension Fund Manager

It is the responsibility of the Pension Fund Manager of the Fund to ensure Shariah compliance with Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments. This responsibility includes designing, implementing and maintaining appropriate internal controls to ensure that operations of the Fund and its investments and placements have been made in compliance to duly approved Shariah guidelines.

4. Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of work performed

Our responsibility is to carry out an independent reasonable assurance engagement to express a conclusion on Shariah compliance of the Fund, with duly approved Shariah guidelines by Shariah Advisor, based on our work performed and the evidences obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), 'Assurance Engagements Other Than Audits or Review of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The Standard requires that we plan and perform our procedures to obtain reasonable level of assurance about whether the Fund is Shariah compliant in accordance with its Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, in all material respects.

Independent Chartered Accountant Firm is
Deloitte Touche Tohmatsu Limited

SHARIAH COMPLIANCE AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

The procedures selected depend on our judgement, including the assessment of the risks of the Pension Fund Manager's material non-compliance with Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, whether due to fraud or error. In making those of risk assessments, we considered internal control relevant to the Pension Fund Manager's Compliance with the Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments, in order to design assurance procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Pension Fund Manager was not materially non-compliant with Shariah guidelines duly approved by Shariah advisor in respect of Fund's investment. Our engagement was not for purpose of expressing an opinion in the effectiveness of the Pension Fund Manager's internal control.

The procedures performed includes:

- Check compliance of Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments.
- Check that the Shariah advisor has certified that all the provisions of the scheme and investments made by the Fund (including all three Sub-Funds) for the year ended June 30 2023 are in compliance with Shariah principles.

6. Conclusion

In our opinion, the Fund, in all material respects, was in compliance with Shariah guidelines duly approved by Shariah advisor in respect of Fund's investments during the year ended 30 June 2023.


Chartered Accountants

Date: September 22, 2023
Place: Karachi

Independent Correspondent Prior to
Deloitte Touche Tohmatsu Limited

AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
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INDEPENDENT AUDITOR'S REPORT

To the participants of Alhamra Islamic Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Alhamra Islamic Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement and statement of comprehensive income, the statement of movement in participants' sub funds, the 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.

Information other than the financial statements and auditor's report thereon

The Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, our auditor's report thereon and our report on Shariah Compliance.

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 Fund Manager and Board of Directors of the Fund Manager for the financial statements

The Fund Manager 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 Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Chartered Accountant Firm to
Solely Taxable Yousuf Adil

AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

In preparing the financial statements, Fund Manager 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 Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We communicate with Board of Directors of Fund Manager 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the year ended June 30, 2023 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;

Independent Chartered Accountant Firm is
Deloitte Touche Tohmatsu Limited

AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;
- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- d) a true and fair view is given of the disposition of the fund as at June 30, 2023 and of the transactions of the fund for the period then ended;
- e) proper books and records have been kept by the Fund and the financial statements prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for all purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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: AR202310057oJY3LXHqI

Independent Chartered Firm in
Pakistan Yousuf Adil Chartered Accountants

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

		June 30, 2023				June 30, 2022							
		Equity		Debt		Money Market		Equity		Debt		Money Market	
		Sub-Fund		Sub-Fund		Sub-Fund		Sub-Fund		Sub-Fund		Sub-Fund	

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

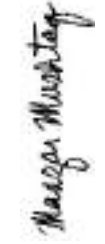
	June 30, 2023				June 30, 2022			
	Equity		Debt		Equity		Debt	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
Note	(Rupees in '000)				(Rupees in '000)			
Income								
Profit on								
- Government securities	-	17,960						
- Sukuk certificates	-	25,043						
- Bank accounts and other deposits	1,476	26,251						
- Commercial paper	-	-						
Dividend income	33,908	-						
Net capital loss on sale of investments	(1,273)	-						
Unrealised (loss) / gain on revaluation of investments - net	(21,809)	(1,683)						
Other income	-	-						
Total income	12,302	67,571						
Expenses								
Remuneration of pension fund manager	8,067	4,638						
Sindh sales tax on remuneration of pension fund manager	1,049	603						
Remuneration of trustee	712	570						
Sales tax on remuneration of trustee	93	74						
Annual fee - Securities and Exchange Commission of Pakistan (SECP)								
Auditors' remuneration	215	172						
Custody and settlement charges	257	206						
Securities transaction cost	473	379						
Donation and charity	1,810	6						
Bank charges	1,090	-						
Total expenses	13,788	6,683						
Net (loss) / income from operating activities	(1,486)	60,888						
Extra ordinary items								
Reversal of provision for Sindh workers' welfare fund	-	-						
Net (loss) / income for the year before taxation	(1,486)	60,888						
Taxation	-	-						
Net (loss) / income for the year	(1,486)	60,888						
Earning per unit								

The annexed notes from 1 to 25 form an integral part of these financial statements.

For MCB-Arif Habib Savings and Investments Limited
(the Pension Fund Manager)



Chief Executive Officer



Director

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

	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total (Rupees in '000)	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Net (loss) / income for the year after taxation	(1,486)	60,888	90,000	149,402	(121,415)	28,817	28,603	(63,994)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income	(1,486)	60,888	90,000	149,402	(121,415)	28,817	28,603	(63,994)
Total income								

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chief Executive Officer

For MCB-Arif Habib Savings and Investments Limited
(the Pension Fund Manager)



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity	Debt	Money Market		Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Total	Sub-Fund	Sub-Fund	Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income before taxation	(1,486)	60,888	90,000	149,402	(121,415)	28,817	28,603	(63,995)
Adjustments for non cash items:								
Profit on bank balances and investments	(1,476)	(69,254)	(96,388)	(167,118)	(1,525)	(35,520)	(33,649)	(70,694)
Dividend income	(33,908)	-	-	(33,908)	(30,244)	-	-	(30,244)
Unrealized (loss) / gain on remeasurement of investments	21,809	1,683	681	24,173	102,942	168	(2)	103,108
- at fair value through profit or loss	1,273	-	-	1,273	41,349	991	312	42,652
Net capital loss on sale of investments	-	-	-	-	(7,516)	(1,638)	(943)	(10,097)
Reversal of provision for Sindh workers' welfare fund	(12,302)	(67,571)	(95,707)	(175,580)	105,006	(35,999)	(34,282)	34,725
(Increase) / decrease in assets								
Investments	109,771	(142,335)	(239,574)	(272,138)	(17,083)	83,781	32,332	99,030
Receivable against sale of investments	(4,218)	-	-	(4,218)	9,924	-	-	9,924
Advances, deposits and other receivables	(785)	(7,684)	(9,887)	(18,356)	1	(19)	(1)	(19)
Increase / (decrease) in liabilities								
Payable to the pension fund manager	104,768	(150,019)	(249,461)	(294,712)	(7,158)	83,762	32,331	108,935
Payable to the trustee	(192)	90	266	164	(186)	(106)	(206)	(498)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(19)	3	32	16	(17)	7	17	7
Accrued expenses and other liabilities	(30)	28	101	99	81	65	68	214
	768	(252)	818	1,334	(278)	(1,880)	(9,784)	(11,942)
	527	(131)	1,217	1,613	(400)	(1,914)	(9,905)	(12,219)
Dividend received	33,922	-	-	33,922	31,032	-	-	31,032
Profit received on bank balances and investments	1,720	64,262	80,982	146,964	1,334	8,071	22,043	31,448
Net cash generated / (used in) from operating activities	127,149	(92,571)	(172,969)	(138,391)	8,399	82,737	38,790	129,926
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipt from issuance of units	204,924	239,903	606,144	1,050,971	295,272	180,537	348,584	824,393
Payments on redemption of units	(367,258)	(260,050)	(408,822)	(1,036,130)	(298,209)	(146,265)	(219,902)	(664,376)
Net cash (used in) / generated from financing activities	(162,334)	(20,147)	197,322	14,841	(2,937)	34,272	128,682	160,017
Net (decrease) / increase in cash and cash equivalents	(35,185)	(112,718)	24,353	(123,550)	5,462	117,009	167,472	289,943
Cash and cash equivalents at beginning of the year	38,291	250,081	396,096	684,468	32,829	133,072	228,624	394,525
Cash and cash equivalents at end of the year	3,106	137,363	420,449	560,918	38,291	250,081	396,096	684,468

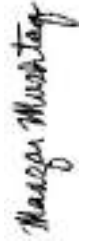
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The annexed notes from 1 to 25 form an integral part of these financial statements.

For MCB-Arif Habib Savings and Investments Limited
(the Pension Fund Manager)



Chief Executive Officer



Director

STATEMENT OF MOVEMENT IN PARTICIPANTS FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023				June 30, 2022			
	Equity	Debt	Money		Equity	Debt	Money	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Sub-Fund	Sub-Fund	Market
	(Rupees in '000)							
Net assets at the beginning of the year	597,520	411,979	440,659		1,450,158	721,872	348,890	283,374
Amount received on issue of units	204,924	239,903	606,144		1,050,971	295,272	180,537	348,584
Amount paid on redemption of units	(367,258)	(260,050)	(408,822)		(1,036,130)	(298,209)	(146,265)	(219,902)
	(162,334)	(20,147)	197,322		14,841	(2,937)	34,272	128,682
								160,017
Net income for the year	(1,486)	60,888	90,000		149,402	(121,415)	28,817	28,603
								(63,995)
Net assets at the end of the year	433,700	452,720	727,981		1,614,401	597,520	411,979	440,659
								1,450,158

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chief Executive Officer

For MCB-Arif Habib Savings and Investments Limited
(the Pension Fund Manager)



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (the VPS Rules). Habib Metropolitan Bank Limited (HMBL) was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014. Due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" the Fund is required to be 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 MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is located 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 pension fund consisting of three sub-funds namely; Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.
- 1.5 Pakistan Credit Rating Agency (PACRA) Limited has maintained quality rating of 'AM1' dated October 06, 2022 to the Pension Fund Manager.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

- 2.1 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 requirements of the Trust Deed, Voluntary Pension System Rules, 2005 (VPS Rules) and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IFRS. The requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

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.

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

	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

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 IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	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 amendments, 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

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.

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

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 measurements of financial liabilities (note 3.1.2)
- Contingencies and Commitments (note 14)

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 measured 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 rounded 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.

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:

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

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, foreign exchange revaluation and impairment losses or reversals 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 and are not held for trading. 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 profit or loss 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.

The Fund elected not to classify irrevocably any of the equity investments under this category on initial recognition.

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.

Dividends on equity investments are recognised as income in the income statement when the right of payment has been established.

The Fund elected to classify all of the equity investments at fair value through profit or loss on initial recognition.

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 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 the 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

Pension Fund Manager 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.

SECP / Commission 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 until further instruction.

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;

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

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.

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 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. 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 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager 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 Pension Fund Manager.

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.

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.

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

3.6 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.

3.7 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.
- Interest income on bank balances, term deposits, placements, , debt and government securities and other money market placements is recognised on an accrual basis.
- 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.

3.8 Expenses

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

3.9 Basis of allocation of expenses to each sub-fund

- Remuneration to the Pension Fund Manager, Trustee and annual fee to the SECP is allocated to each sub-fund on the basis of the net assets of the sub-fund
- Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription and bank charges are charged to that sub-fund
- Auditors' remuneration and legal and professional charges are allocated on the basis of the proportionate net assets of each sub-fund.

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.

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

		June 30, 2023			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----					
4. BALANCES WITH BANKS					
Current accounts	4.1	701	2,184	2,997	5,882
Savings accounts	4.2	2,405	135,179	417,452	555,036
		3,106	137,363	420,449	560,918

		June 30, 2022			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----					
Current accounts	4.1	3,157	3,548	3,997	10,702
Savings accounts	4.2	35,134	246,533	392,099	673,766
		38,291	250,081	396,096	684,468

- 4.1** These include a balance of Rs. 0.61 million (2022: Rs. 2.45 million) in Equity Sub-Fund, Rs. 1.76 million (2022: Rs. 2.85 million) in Debt Sub-Fund and Rs. 2.57 million (2022: 3.31 million) in Money Market Sub-Fund held with MCB Bank Limited, a related party.
- 4.2** These carry profit at the rates of ranging from 10% to 20.25% (2022: 6.55% to 15.5%) per annum. These include a balance of Rs. 1.41 million (2022: Rs.0.01) million in Equity Sub-Fund and Rs. Nil (2022: Rs. Nil) million in Debt Sub-Fund, held with MCB Islamic Bank Limited, a related party.

		June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----					
5. INVESTMENTS					
At fair value through profit or loss					
Listed equity securities	5.1	422,719	-	-	422,719
GoP Ijarah Sukuk Bonds	5.2	-	138,872	188,732	327,604
Debt securities - Sukuks	5.3	-	100,341	-	100,341
		422,719	239,213	188,732	850,664

		June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----					
At fair value through profit or loss					
Listed equity securities		559,879	-	-	559,879
GoP Ijarah Sukuk Bonds		-	89,712	39,872	129,584
Debt securities - Sukuks		-	138,923	40,000	178,923
		559,879	228,635	79,872	868,386

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

5.1 Listed equity securities - at fair value through profit or loss

Equity Sub-Fund

Name of the Investee Company	(Number of shares)					As at June 30, 2023			% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (loss) / gain	
									(Rupees in '000) (%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Automobile parts and accessories									
Agriauto Industries Limited*	12,500	-	-	12,500	-	-	-	-	0.00
Thal Limited*	16,000	9,500	-	-	25,500	6,365	4,131	(2,234)	0.03
	-	-	-	-	-	6,365	4,131	(2,234)	0.03
Cable & Electrical Goods									
Pak Electron Limited	400,000	375,000	-	575,000	200,000	3,024	1,810	(1,214)	0.02
						3,024	1,810	(1,214)	0.02
Cement									
Cherat Cement Company Limited	63,000	90,500	-	73,500	80,000	7,856	9,622	1,767	2.22
Fauji Cement Company Limited	2,400,000	1,585,000	300,000	1,685,000	2,600,000	32,284	30,576	(1,708)	7.05
Kohat Cement Company Limited	85,000	36,000	-	71,000	50,000	6,589	8,674	2,085	2.00
Lucky Cement Limited	77,000	51,500	-	64,500	64,000	28,991	33,414	4,423	7.70
Maple Leaf Cement Factory Limited	1,000,000	890,000	-	990,000	900,000	22,098	25,497	3,399	5.88
D.G Khan Cement Limited	100,000	420,000	-	255,000	265,000	13,498	13,594	96	3.13
Pioneer Cement Limited	-	100,000	-	70,000	30,000	1,600	2,599	999	0.60
Gharibwal Cement Limited	340,000	-	-	40,000	300,000	5,850	4,650	(1,200)	1.07
						118,765	128,626	9,861	29.66
Chemical									
Descon Oxychem Limited	-	92,500	-	92,500	-	-	-	-	0.00
Dynea Pakistan Limited*	13,000	32,000	-	10,000	35,000	5,639	4,410	(1,229)	1.02
						5,639	4,410	(1,229)	1.02

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

Name of the Investee Company	(Number of shares)					As at June 30, 2023			Market value as a % of net assets of the sub-fund	% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (loss) / gain		
									(Rupees in '000)	(%)
Commercial banks										
Meezan Bank Limited	515,000	195,779	50,000	458,279	302,500	31,006	26,127	(4,879)	6.02	0.02
Faysal Bank Limited	-	1,250,000	-	800,000	450,000	11,749	9,081	(2,668)	2.09	0.03
Bank Islami Pakistan Limited	1,261,000	654,000	-	1,915,000	-	-	-	-	0.00	0.00
						42,754	35,208	-7,546	8.12	0.05
Engineering										
Mughal Iron & Steel Industries Limited	144,844	183,500	-	98,344	230,000	12,640	11,141	(1,498)	2.57	0.07
International Industries Limited	13,500	7,017	-	20,517	-	-	-	-	0.00	0.00
Aisha Steel Mill Limited	375,000	225,000	-	237,000	363,000	4,002	1,960	(2,042)	0.45	0.04
Anrell Steels Limited	145,000			145,000	-	-	-	-	0.00	0.00
						16,642	13,101	(3,541)	3.02	0.11
Fertilizer										
Engro Corporation Limited	110,394	92,106	-	102,500	100,000	25,713	25,989	276	5.99	0.02
Engro Fertilizer Limited	250,000	69,500	-	169,500	150,000	13,129	12,380	(750)	2.85	0.01
Fauji Fertilizer Bin Qasim Limited	-	350,000	-	-	350,000	4,025	4,123	98	0.95	0.03
						42,867	42,492	(376)	9.80	0.06
Food and personal care products										
At-Tahur Limited	161,600	92,000	22,560	26,000	250,160	4,563	4,118	(446)	0.95	0.11
National Foods Limited*	-	100,000	-	30,000	70,000	5,950	6,888	938	1.59	0.03
The Organic Meat Company Limited	352,500	123,500	28,470	289,000	215,470	4,344	4,477	134	1.03	0.16
						14,857	15,483	626	3.57	0.30
Glass and ceramics										
Shabbir Tiles & Ceramics Limited*	240,000	-	-	37,000	203,000	2,970	1,689	(1,281)	0.39	0.08
Tariq Glass Industries Limited	55,500	-	-	55,500	-	-	-	-	0.00	0.00
						2,970	1,689	(1,281)	0.39	0.08
Leather & Tanneries										
Bata (Pakistan) Limited	2,500	-	-	2,500	-	-	-	-	0.00	0.00
						-	-	-	0.00	0.00
Miscellaneous										
Shifa International Hospitals	56,940	4,000	-	20,901	40,039	6,974	4,904	(2,070)	1.13	0.06
Synthetic Products Limited	-	303,000	-	103,000	200,000	2,250	2,080	(170)	0.48	0.10
Pakistan Aluminium Beverage cans Limited	79,500	-	-	79,500	-	-	-	-	0.00	0.00
						9,224	6,984	(2,240)	1.61	0.16

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

Name of the Investee Company	(Number of shares)					As at June 30, 2023			Market value as a % of net assets of the sub-fund	% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (loss) / gain		
(Rupees in '000)										
Oil and gas exploration companies										
Mari Petroleum Company Limited	31,468	744	-	15,212	17,000	29,532	25,749	(3,784)	5.94	0.01
Oil and Gas Development Company Limited	290,000	315,000	-	320,000	285,000	23,490	22,230	(1,260)	5.13	0.01
Pakistan Oilfields Limited	15,000	23,500	-	38,500	-	-	-	-	0.00	0.00
Pakistan Petroleum Limited	340,000	437,760	-	552,760	225,000	14,544	13,307	(1,237)	3.07	0.01
						67,566	61,285	(6,281)	14.13	0.03
Oil and gas marketing companies										
Attock Petroleum Limited	9,000	7,400	-	16,400	-	-	-	-	0.00	0.00
Hi-Tech Lubricants	-	-	-	-	-	-	-	-	0.00	0.00
Pakistan State Oil Company Limited	-	-	-	-	-	-	-	-	0.00	0.00
Sui North Gas Pipeline Limited	85,000	-	-	85,000	-	-	-	-	0.00	0.00
						-	-	-	0.00	0.00
Paper and board										
Century Paper & Board Mills Limited	600	62,000	32,060	22,660	72,000	1,680	2,033	353	0.47	0.02
Packages Limited	14,000	-	-	-	14,000	5,584	5,445	(139)	1.26	0.02
						7,264	7,478	214	1.72	0.03
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	-	-	-	-	-	-	-	0.00	0.00
AGP Pakistan Limited	27,500	92,500	-	80,000	40,000	2,599	2,259	(340)	0.52	0.01
Citi Pharma limited	360,000	35,000	-	195,000	200,000	6,332	4,268	(2,064)	0.98	0.09
Ferozsons Laboratories Limited	-	26,000	4,000	13,500	16,500	3,542	2,258	(1,284)	0.52	0.04
Haleon Pakistan Limited (formerly known as GlaxoSmithKline Consumer Healthcare)	36,500	10,000	-	8,000	38,500	8,547	5,395	(3,151)	1.24	0.03
Highnoon Laboratories Limited	5,000	21,500	5,398	7,000	24,898	9,180	8,370	(811)	1.93	0.05
						30,200	22,550	(7,650)	5.20	0.22
Power generation and distribution										
The Hub Power Company Limited	233,946	326,868	-	310,814	250,000	16,471	17,395	924	4.01	0.02
Refinery										
Attock Refinery Limited	65,000	10,000	-	75,000	-	-	-	-	0.00	0.00
Synthetic &Rayon										
Image Pakistan Limited	147,000	-	22,050	169,050	-	-	-	-	0.00	0.00

40 ALHAMRA ISLAMIC PENSION FUND

5.1.1 As at June 30, 2023, the bonus shares of the Equity Sub - Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.285 million (June 2022: 0.276 million).

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

5.2 GoP Ijarah Sukuk Bonds - at fair value through profit or loss

Name of security	Issue date	Maturity date	Face value			Balance as at June 30, 2023			Market value as a % of net asset of the sub fund	
			As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value		Unrealised gain / (loss)
(Rupees in '000)										
Debt Sub-Fund										
GoP Ijarah Sukuk - 5 years	24-Jun-20	24-Jun-25	90,000	-	-	90,000	89,808	89,172	(636)	19.70
GoP Ijarah Sukuk - 5 years	29-Jul-20	29-Jul-25	-	50,000	-	50,000	49,833	49,700	(133)	10.98
Total as at June 30, 2023							139,641	138,872	(769)	30.68
Total as at June 30, 2022							90,280	90,540	260	
Money Market Sub-Fund										
GoP Ijarah Sukuk - 5 years	24-Jun-20	24-Jun-25	40,000	-	-	40,000	39,915	39,632	(283)	5.44
GoP Ijarah Sukuk - 5 years	29-Jul-20	29-Jul-25	-	150,000	-	150,000	149,498	149,100	(398)	20.48
Total as at June 30, 2022							189,413	188,732	(681)	25.93
Total as at June 30, 2022							39,870	39,872	2	

5.3 Debt securities - Sukuks - at fair value through profit or loss

Debt Sub-Fund

Name of security	Note	Issue date	Number of certificates			Balance as at June 30, 2023			Market value as % of net assets of sub-funds
			As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying Value	Market value	
(Rupees in '000)									
Ghani Chemical Industries Limited		2-Feb-17	40	-	-	40	460	460	0.10
Dubai Islamic Bank Pakistan Limited - Tier II		14-Jul-17	5	-	5	-	-	-	0.00
Aspin Pharma (Private) Limited		30-Nov-17	-	-	-	-	-	-	0.00
Meezan Bank Limited - Tier II (2nd Issue)		9-Jan-20	10	-	-	10	10,306	10,067	(238)
Pakistan Energy Sukuk - II	6.3.1	21-May-20	14,000	-	-	14,000	70,490	70,014	(476)
Pak Elektron Limited		15-Nov-21	20	-	20	-	-	-	0.00
Meezan Bank Limited		16-Dec-21	-	20	-	20	20,000	19,800	(200)
The Hub Power Company Limited		27-Apr-22	120	-	120	-	-	-	0.00
K-Electric Sukuk (27 APR 2022)		27-Apr-22	20	-	20	-	-	-	0.00
Total as at June 30, 2023							101,256	100,341	(914)
Total as at June 30, 2022							139,091	138,923	(168)

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

Name of security	Note	Issue date	Number of certificates			Balance as at June 30, 2023			Market value as % of net assets of sub-funds	
			As at July 01, 202	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying Value	Market value		Unrealised gain / (loss)
(Rupees in '000)										
K-Electric		27-Apr-22	20	-	20	-	-	-	0.00	
The Hub Power Company limited		27-Apr-22	200	-	200	-	-	-	0.00	
Total as at June 30, 2023										
Total as at June 30, 2022										
							40,000	40,000	-	

5.3.1 Significant terms and conditions of sukuk outstanding at the year end are as follows:

Name of security	Number of certificates	Face / redemption value (Rupees)		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total				
<u>Debt Sub-Fund</u>							
<u>Un-listed</u>							
Ghani Chemical Industries Limited	40	29,167	1,166,680	3M KIBOR + 1.00%	2-Feb-24	Secured	A
Meezan Bank Limited - Tier II (2nd Issue)	10	1,000,000	10,000,000	6M KIBOR + 0.90%	9-Jan-30	Unsecured	AAA
Meezan Bank Limited	20	1,000,000	20,000,000	6M KIBOR + 0.35%	16-Dec-31	Unsecured	AAA
<u>Listed</u>							
Pakistan Energy Sukuk - II	14,000	5,000	70,000,000	6M KIBOR - 0.10%	21-May-30	Unsecured	Unrated

5.3.2 This is secured by Government of Pakistan and measured at their initial investment value, as their market values are not available.

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

6. PROFIT RECEIVABLE

Profit receivables on bank accounts and other deposits
Profit receivables on GOP ijara sukuks
Profit receivables on TFC and sukuks

June 30, 2023			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)			
-	2,012	7,087	9,099
-	4,076	11,265	15,341
-	4,054	2,914	6,968
-	10,142	21,266	31,408

Profit receivables on bank accounts and other deposits
Profit receivables on GOP ijara sukuks
Profit receivables on TFC and sukuks

June 30, 2022			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)			
244	1,800	4,627	6,671
-	366	163	529
-	2,984	1,070	4,054
244	5,150	5,860	11,254

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

		June 30, 2023		
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
		Total		
		(Rupees in '000)		
7.	ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
	Security deposit with Central Depository Company of Pakistan Limited (CDC)	201	200	200
	Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500	-	-
	Advance tax	114	117	10
	Other receivables	1,077	7,720	9,905
		3,892	8,037	10,115
		22,044		

		June 30, 2022		
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
		Total		
		(Rupees in '000)		
	Security deposit with Central Depository Company of Pakistan Limited (CDC)	201	200	200
	Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500	-	-
	Advance tax	93	117	10
	Other receivables	313	36	18
		3,107	353	228
		3,688		

		June 30, 2023		
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
		Total		
		(Rupees in '000)		
8.	PAYABLE TO PENSION FUND MANAGER			
	Remuneration payable	544	412	407
	Sindh sales tax payable on remuneration payable	71	53	53
		615	465	460
		1,540		

		June 30, 2022		
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
		Total		
		(Rupees in '000)		
	Remuneration payable	714	332	172
	Sindh sales tax payable on remuneration payable	93	43	22
		807	375	194
		1,376		

- 8.1 This represents remuneration of the Pension Fund Manager at the rate of 1.5% for Equity (2022: 1.5%), 1.13% for Debt (2022: 1%) and 0.72% for money market (2022: 0.5%).
- 8.2 This represents sales tax on remuneration payable at the rate of 13% (2022: 13%).

		June 30, 2022		
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
		Total		
		(Rupees in '000)		
9.	PAYABLE TO THE TRUSTEE			
	Remuneration payable	48	48	75
	Sales tax on remuneration payable	6	6	10
		54	54	85
		193		

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

		June 30, 2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)			
Remuneration payable	9.1	65	45	47	157
Sales tax on remuneration payable	9.2	8	6	6	20
		73	51	53	177

- 9.1 The Central Depository Company of Pakistan Limited is entitled to remuneration at the rate of 0.15% per annum of the net assets value of the Fund where the net assets are upto Rs.1 billion. The rates applicable for Trustee's remuneration on net assets exceeding Rs.1 billion are as follows:

Net Assets	Tariff per annum
Upto Rs.1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets whichever is higher
Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets exceeding Rs.1 billion
Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets exceeding Rs.5 billion
Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets exceeding Rs.5 billion

- 9.2 Sales tax at the rate of 13% (2022: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee to the SECP at the rate of one twenty-fifth of one percent (2022: one twenty-fifth of one percent) of average annual net assets of each sub-fund, revised as per SRO 260(I)/2019 dated December 24, 2019.

		June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)			
11. ACCRUED EXPENSES AND OTHER LIABILITIES	Note				
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	11.1	1,451	1,032	548	3,031
Donation / charity payable		1,090	-	-	1,090
Auditors' remuneration		222	150	176	548
Withholding tax payable		658	162	737	1,557
Brokerage payable		121	-	1	122
Payable against Redemption of units		-	-	341	341
		3,542	1,344	1,803	6,689

		June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)			
Note					
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	11.1	1,451	1,032	548	3,031
Donation / charity payable		957	-	-	957
Auditors' remuneration		184	106	92	382
Withholding tax payable		7	14	4	25
Provision for Sindh Workers' Welfare Fund	11.2	-	-	-	-
Brokerage payable		175	-	-	175
Payable against Redemption of units		-	444	341	785
		2,774	1,596	985	5,355

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

11.1 Provision for Federal Excise Duty on remuneration of Pension Fund Manager

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 04, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

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

With effect from July 01, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from July 01, 2016. However, being prudent the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2023 aggregates to Rs.1.45(2022: Rs.1.45) million, Rs.1.03 (2022: Rs.1.03) million, and Rs.0.55 (2022: Rs.0.55) million in Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Sub-Funds, the net assets value of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at June 30, 2022 would have been higher by Rs.1.77 (2022: Rs.1.28) per unit, Rs.0.69 (2022: Rs.0.66) per unit and Rs.0.21 (2022: Rs.0.29) per unit respectively.

12. NUMBER OF UNITS IN ISSUE

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Units)			
Total units outstanding at beginning of the year	1,132,519	1,575,321	1,864,222	4,572,062
Add: Units issued during the year	385,462	860,884	2,354,784	3,601,130
Less: Units redeemed during the year	(697,627)	(931,780)	(1,570,901)	(3,200,308)
Total units in issue at the end of the year	820,354	1,504,425	2,648,105	4,972,884

	June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Units)			
Total units outstanding at beginning of the year	1,129,300	1,438,602	1,297,722	3,865,624
Add: Units issued during the year	510,010	712,276	1,529,775	2,752,061
Less: Units redeemed during the year	(506,791)	(575,557)	(963,275)	(2,045,623)
Total units in issue at the end of the year	1,132,519	1,575,321	1,864,222	4,572,062

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

13. CONTRIBUTION TABLE

	June 30, 2023					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)
Opening balance	1,132,519	597,520	1,575,321	411,979	1,864,222	440,659
Issue of units	385,462	204,924	860,884	239,903	2,354,784	606,144
Redemption of units	(697,627)	(367,258)	(931,780)	(260,050)	(1,570,901)	(408,822)
Closing balance	820,354	435,186	1,504,425	391,832	2,648,105	637,981

	June 30, 2022					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)
Opening balance	1,129,300	373,160	1,438,602	241,384	1,297,722	221,387
Issue of units	510,010	295,272	712,276	180,537	1,529,775	348,584
Redemption of units	(506,791)	(298,209)	(575,557)	(146,265)	(963,275)	(219,902)
Closing balance	1,132,519	370,223	1,575,321	275,656	1,864,222	350,069

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

14. CONTINGENCIES AND COMMITMENTS

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

15. AUDITORS' REMUNERATION

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
AUDITORS' REMUNERATION	(Rupees in '000)			
Audit fee	168	98	84	350
Half yearly review fee	82	48	41	170
	250	146	125	520
Sales tax	19	15	21	55
	257	206	278	741

	June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
Audit fee	149	86	76	310
Half yearly review fee	65	38	34	137
	214	123	110	447
Sales tax	17	10	9	36
Out of pocket expenses	23	14	11	48
	254	147	130	531

16. CASH AND CASH EQUIVALENTS

June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)			
5	3,106	137,363	420,449	560,918
	3,106	137,363	420,449	560,918

	June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----			
Bank balances	38,291	250,081	396,096	684,468
	38,291	250,081	396,096	684,468

17. TAXATION

The income of Alhamra Islamic Pension Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

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

18. TRANSACTIONS WITH CONNECTED PERSONS

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

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

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.

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

18.1 Transactions during the year:

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager				
Remuneration (include indirect taxes)	9,116	5,241	4,263	18,621
Central Depository Company of Pakistan Limited - Trustee				
Remuneration (include indirect taxes)	805	644	873	2,321
Settlement charges	39	5	5	49
MCB Islamic Bank Limited				
Mark-up on Bank deposit	142	-	-	142
MCB Bank Limited				
Bank charges	10	21	26	57
Arif Habib Limited - Brokerage House*				
Brokerage expense*	35	-	-	35
	June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager				
Remuneration (include indirect taxes)	11,054	5,904	4,849	21,807
Central Depository Company of Pakistan Limited - Trustee				
Remuneration (include indirect taxes)	1,005	585	534	2,124
Settlement charges	75	7	7	89
MCB Bank Limited				
Bank charges	5	15	15	35
Arif Habib Limited - Brokerage House				
Brokerage expense*	99	-	-	99

This is 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.

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

		June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)			
18.2	Balances outstanding at year end:				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager *					
	Remuneration payable	544	412	407	1,363
	Sindh sales tax payable on remuneration	71	53	53	177
	Investment in seed capital of				
	- Equity Sub-Fund: 305,160 (June 2022: 305,160) units	161,329	-	-	161,329
	- Debt Sub-Fund: 289,051 (June 2022: 289,051) units	-	86,984	-	86,984
	- Money Market Sub-Fund: 281,918 (June 2022: 281,918) units	-	-	77,502	77,502
Central Depository Company of Pakistan Limited - Trustee					
	Remuneration payable	48	48	75	171
	Sindh sales tax payable on remuneration	6	6	10	22
	Security deposit	201	200	200	601
MCB Islamic Bank Limited					
	Bank balance	1,406	-	-	1,406
MCB Bank Limited					
	Bank balance	609	1,760	2,569	4,938
		June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)			
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager *					
	Remuneration payable	714	332	172	1,218
	Sindh sales tax payable on remuneration	93	43	22	158
	Investment in seed capital of				
	- Equity Sub-Fund: 305,160 (June 2020: 305,160) units	26,823	-	-	26,823
	- Debt Sub-Fund: 289,051 (June 2020: 289,051) units	-	2,510	-	2,510
	- Money Market Sub-Fund: 281,918 (June 2020: 281,918) units	-	-	66,640	66,640
Central Depository Company of Pakistan Limited - Trustee					
	Remuneration payable	65	45	47	156
	Sindh sales tax payable on remuneration	8	6	6	20
	Security deposit	201	200	200	601
MCB Islamic Bank Limited					
	Bank balance	10	-	-	10
MCB Bank Limited					
	Bank balance	2,452	2,852	3,306	8,610
Arif Habib Limited - Brokerage House					
	Brokerage payable	19	-	-	19

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

18.3 Participant Fund

June 30, 2023							
As at July 01, 2022		Issued for cash		Redeemed		As at June 30, 2023	

Key management personnel

Equity Sub-Fund	60,030	84,962	(101,875)	43,118	31,672	44,553	(53,531)	22,795
Debt Sub-Fund	5,350	14,187	(18,527)	1,010	1,399	7,138	(9,299)	304
Money Market Sub-Fund	17,996	58,040	(27,676)	48,360	4,254	15,464	(7,018)	13,295

June 30, 2022							
(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

Key management personnel

Equity Sub-Fund	46,075	25,928	(22,101)	49,902	30,050	15,374	(12,867)	26,329
Debt Sub-Fund	8,543	7,236	(7,151)	8,628	2,307	1,815	(1,808)	2,256
Money Market Sub-Fund	3,906	5,866	(2,065)	7,707	8,772	1,331	(464)	1,822

* The unit holder also holds 10% or more of the units in the Sub-Funds.

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

19. FINANCIAL RISK MANAGEMENT

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

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

The Fund's primary financial assets comprise of balances with banks, at fair value through profit and loss investments, comprising of Shariah compliant investments, in equity securities of listed companies, Government of Pakistan Ijarah Sukuks, spread transactions, Certificates of Investment, commercial paper and other Islamic investment instrument. The Fund also has dividend receivable, profit receivable, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to Pension Fund Manager, Trustee and SECP and accrued and other liabilities.

19.1 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 Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based profit bearing sukkuk certificates exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR and in rates announced by MUFAP (Mutual Funds Association of Pakistan) on the last repricing date of these sukuks, with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs.1 million (2022: Rs.1.79 million).

The Fund is also exposed to profit rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.5.55 million (2022: Rs.6.74 million) .

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

Yield / effective interest rate (%)		June 30, 2023										
		Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Exposed to yield / interest rate risk			Exposed to yield / interest rate risk				
		Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Upto three months	More than three months and up to one year	More than one year	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												
10 - 20.25	560,918	2,405	-	-	701	135,179	-	-	2,184	417,452	-	2,997
11.9 - 23.05	850,664	-	-	-	422,719	-	-	239,213	-	-	188,732	-
	-	-	-	-	-	-	-	-	-	-	-	-
	150,000	-	-	-	-	-	-	60,000	-	-	90,000	-
	12,434	-	-	-	12,434	-	-	-	-	-	-	-
	31,408	-	-	-	-	-	-	-	10,142	-	-	21,266
	21,803	-	-	-	3,778	-	-	-	7,920	-	-	10,105
	1,627,227	2,405	-	-	439,632	135,179	-	299,213	20,246	417,452	278,732	34,368
	1,363	-	-	-	544	-	-	-	412	-	-	407
	171	-	-	-	48	-	-	-	48	-	-	75
	4,025	-	-	-	4,025	-	-	-	-	-	-	-
	2,268	-	-	-	1,639	-	-	-	289	-	-	340
	7,827	-	-	-	6,256	-	-	-	749	-	-	822
	1,619,400	2,405	-	-	433,376	135,179	-	299,213	19,497	417,452	278,732	33,546
There is no off-balance sheet financial instrument that exist as at year ended June 30, 2023												
Yield / effective interest rate (%)		June 30, 2022										
		Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Exposed to yield / interest rate risk			Exposed to yield / interest rate risk				
		Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Upto three months	More than three months and up to one year	More than one year	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												
6.55 - 15.5	684,468	35,134	-	-	3,157	246,533	-	-	3,548	392,099	-	3,997
7.47 - 16.17	868,386	-	-	-	559,879	-	-	176,749	-	-	40,000	39,872
	14	-	-	-	14	-	-	-	-	-	-	-
	20,000	-	-	-	-	-	-	-	20,000	-	-	-
	8,216	-	-	-	8,216	-	-	-	-	-	-	-
	11,254	-	-	-	244	-	-	-	5,150	-	-	5,860
	3,468	-	-	-	3,014	-	-	-	236	-	-	218
	1,595,806	35,134	-	-	574,524	246,533	51,886	176,749	28,934	392,099	40,000	39,872
	1,218	-	-	-	714	-	-	-	332	-	-	172
	157	-	-	-	65	-	-	-	45	-	-	47
	138,439	-	-	-	8,332	-	-	-	90,074	-	-	40,033
	2,270	-	-	-	1,302	-	-	-	542	-	-	426
	142,084	-	-	-	10,413	-	-	-	90,993	-	-	40,678
	1,453,722	35,134	-	-	564,111	246,533	51,886	176,749	(62,059)	392,099	40,000	39,872
On-balance sheet gap												

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

The Equity Sub-Fund is exposed to equity price risk because of equity securities held by the Equity Sub-Fund and classified on the Statement of Assets and Liabilities as 'at fair value through profit or loss'. To manage its price risk arising from investment in equity securities, the Equity Sub-Fund's investment policy, as restricted by the VPS Rules, limits investments in listed shares of one company to not more than 10% of Sub-Fund net assets and investment in listed securities of a particular company have also been restricted to 10% of paid-up capital of investee company. Moreover, the sector limits have been restricted to 35% of the net assets of the Sub-Fund.

In case of 5% increase / decrease in KSE 100 index on June 30, 2023, the net assets relating to the Equity Sub-Fund and total net assets of the Fund would increase / decrease by Rs.21.14 million (2022: Rs.28) million as a result of gains / losses on equity securities classified as at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of KSE 100 index.

19.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities. The Fund is also exposed to counter party credit risks on balances with banks and profit receivable. The credit risk on these funds is limited because the counterparties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the Board) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This credit rating 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 investors. 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 by financial department 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. Risk attributable to investment in government securities is limited as these are guaranteed by the Federal Government.

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

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
Bank balances	3,106	137,363	420,449	560,918
Investments	-	100,341	-	100,341
Advance against IPO	-	60,000	90,000	150,000
Receivable against sale of investments	12,434	-	-	12,434
Profit receivable	-	6,066	10,001	16,067
Deposits and other receivables	3,778	7,920	10,105	21,803
	19,318	311,690	530,555	861,563

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

June 30, 2022			
Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total
----- (Rupees in '000) -----			
Bank balances	38,291	250,081	396,096
Investments	-	138,923	40,000
Dividend receivable	14	-	-
Advance against IPO	-	20,000	-
Receivable against sale of investments	8,216	-	-
Profit receivable	244	4,784	5,697
Deposits and other receivables	3,014	236	218
	49,779	414,024	442,011
	905,814		

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

Difference in the balance as per statement of asset and liabilities and maximum exposure is due to the fact that investments in government securities in Debt Sub-Fund of Rs. 138.87 million (2022: Rs. 89.71 million) and Money Market Sub-Fund of Rs. 188.73 million (2022: Rs. 39.87 million) and profit receivable from these securities in Debt Sub-Fund of Rs. 4.1 million (2022: Rs. 0.37 million) and in Money Market Sub-Fund of Rs. 11.2 million (2022: Rs. 0.16 million) are not exposed to credit risk.

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

	June 30, 2023	June 30, 2022
	----- (%) -----	
Bank balances by rating category		
AA+/A1+	1.21	7.47
A+/A1	0.00	0.10
AAA/A1+	1.25	1.60
AA/A-1+	97.24	90.82
A-/A-2	0.00	0.00
AA-/A1+	0.06	0.01
A/A-1	0.25	0.01
Sukuks by rating category		
A+	0.00	11.11
A	0.46	0.60
AA	0.00	22.36
AA-	0.00	2.89
Un-rated	69.78	50.74
AA+	0.00	17.88
AAA	29.77	5.76
unrated	39.40	39.40

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

Concentration of credit risk

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

19.3 Liquidity risk

The table below analyses the Sub-funds' 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.

As at June 30, 2022								
Total	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund	
	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months
		More than three months and upto one year	More than three months and upto one year		More than three months and upto one year			
(Rupees in '000)								
1,218	714	-	-	332	-	-	172	-
157	65	-	-	45	-	-	47	-
138,439	8,332	-	-	90,074	-	-	40,033	-
2,270	1,132	170	-	444	98	-	341	85
142,084	10,243	170	-	90,895	98	-	40,593	85

Financial Liabilities

Payable to the Pension Fund Manager

Payable to the Trustee

Payable against purchase of investments

Accrued and other liabilities

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

20. Financial instruments by category

	June 30, 2023					
	Equity Sub-Fund			Debt Sub-Fund		
	At fair value through profit and loss	At fair value through OCI	Sub total	At amortised cost	At fair value through profit and loss	Sub total
Total						
Financial Assets						
Bank balances	3,106	-	3,106	137,363	-	137,363
Investments	-	422,719	422,719	-	239,213	239,213
Advance against IPO	-	-	-	60,000	-	60,000
Receivable against sale of investments	12,434	-	12,434	-	-	-
Profit receivable	-	-	-	10,142	-	10,142
Deposits and other receivables	21,803	3,778	25,581	7,920	-	33,501
	19,318	422,719	442,037	215,425	239,213	454,638
	1,627,227	-	1,627,227	-	188,732	1,815,959

Financial Assets

Bank balances
Investments
Advance against IPO
Receivable against sale of investments
Profit receivable
Deposits and other receivables

	June 30, 2023					
	Equity Sub-Fund			Debt Sub-Fund		
	At fair value through profit and loss	Other financial liabilities	Sub total	At fair value through profit and loss	Other financial liabilities	Sub total
Total						
Financial Liabilities						
Payable to the Pension Fund Manager	1,363	-	1,363	-	-	-
Payable to the Trustee	171	48	219	-	-	-
Payable against purchase of investments	4,025	-	4,025	-	-	-
Accrued expenses and other liabilities	2,268	1,639	3,907	-	-	-
	7,827	2,231	10,058	-	-	-

Financial Liabilities

Payable to the Pension Fund Manager
Payable to the Trustee
Payable against purchase of investments
Accrued expenses and other liabilities

	June 30, 2022					
	Equity Sub-Fund			Debt Sub-Fund		
	At fair value through profit and loss	At fair value through OCI	Sub total	At amortised cost	At fair value through profit and loss	Sub total
Total						
Financial Assets						
Bank balances	38,291	-	38,291	250,081	-	288,372
Investments	-	-	-	-	228,635	228,635
Dividend receivable	14	-	14	-	-	-
Advance against IPO	-	-	-	20,000	-	20,000
Receivable against sale of investments	8,216	-	8,216	-	-	-
Profit receivable	11,254	244	11,498	5,150	-	16,648
Deposits and other receivables	3,468	3,014	6,482	236	-	6,718
	49,779	559,879	609,658	275,467	228,635	1,113,752

Financial Assets

Bank balances
Investments
Dividend receivable
Advance against IPO
Receivable against sale of investments
Profit receivable
Deposits and other receivables

	June 30, 2022					
	Equity Sub-Fund			Debt Sub-Fund		
	At fair value through profit and loss	Other financial liabilities	Sub total	At fair value through profit and loss	Other financial liabilities	Sub total
Total						
Financial Liabilities						
Payable to the Pension Fund Manager	1,218	-	1,218	-	-	-
Payable to the Trustee	157	65	222	-	-	-
Payable against purchase of investments	138,439	8,332	146,771	-	-	-
Accrued and other liabilities	2,270	1,302	3,572	-	-	-
	142,084	8,332	150,416	-	-	-

Financial Liabilities

Payable to the Pension Fund Manager
Payable to the Trustee
Payable against purchase of investments
Accrued and other liabilities

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

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following instruments measured at fair values:

<u>June 30, 2022</u>	Note	Level 1 -----	Level 2 (Rupees in '000)	Level 3 -----	Total
Equity Sub-Fund					
Listed equity securities		422,719	-	-	422,719
Debt Sub-Fund					
GoP Ijarah Sukuk Bonds	21.1.1	138,872	-	-	138,872
Debt securities - Sukuks	21.1.1 & 21.2.2	80,541	19,800	-	100,341
Commercial paper	21.1.2	-	-	-	-
Money Market Sub-Fund					
GoP Ijarah Sukuk Bonds	21.1.1	188,732	-	-	188,732
Debt securities - Sukuks	21.1.1	-	-	-	-
Commercial paper	21.1.2	-	-	-	-
		830,864	19,800	-	850,664
<u>June 30, 2022</u>					
Equity Sub-Fund					
Listed equity securities		559,879	-	-	559,879
Debt Sub-Fund					
GoP Ijarah Sukuk Bonds	21.1.1	89,712	-	-	89,712
Debt securities - Sukuks	21.1.1	108,731	30,192	-	138,923
Money Market Sub-Fund					
GoP Ijarah Sukuk Bonds	21.1.1	39,872	-	-	39,872
Debt securities - Sukuks	21.1.1	40,000	-	-	40,000
		838,194	30,192	-	868,386

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

21.1 Valuation techniques used in determination of fair values within level 2

- 21.1.1** Investments in sukuks certificates issued by Government of Pakistan or a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

21.2 Valuation techniques used in determination of fair values within level 3

- 21.2.1** The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.
- 21.2.2** Valuation for instruments under level 3 is carried out using discretionary rate as per Circular 33 dated October 24, 2012 in the manner as prescribed in the circular.
- 21.3** The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

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

22. PERFORMANCE TABLE

	Equity Sub-Fund				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	(Rupees in '000)				
Performance Information					
Net income after taxation	(1,486)	(121,415)	195,214	57,874	(100,333)
Realised capital gains / (losses)	(1,273)	(41,349)	102,054	28,420	(15,970)
Unrealised gains / (losses)	(21,809)	(102,942)	85,437	10,182	(95,924)
Dividend income					-
and profit income	35,384	31,769	28,679	24,622	24,781
Net assets value per unit	528.67	527.60	639.22	420.40	416.13
Transactions in securities					
- Purchases	446,230	380,981	613,079	340,883	399,992
- Sales	560,309	417,563	615,646	255,448	318,841
Total contribution received	204,924	295,272	247,866	179,098	136,006

	Debt Sub-Fund				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	(Rupees in '000)				
Performance Information					
Net income after taxation	60,888	28,817	19,453	25,246	13,063
Realised capital (losses) / gains	-	(991)	143	(2,125)	17
Unrealised gains / (losses)	(1,683)	(168)	1,198	334	(2,593)
Profit income	69,254	35,520	1,341	31,382	20,548
Net assets value per unit	300.93	261.52	242.52	212.58	210.04
Transactions in securities					
- Purchases	69,800	148,107	366,378	176,322	249,139
- Sales	5,168	100,537	215,482	48,193	15,370
Total contribution received	239,903	180,537	156,816	144,104	98,452

	Money Market Sub-Fund				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	(Rupees in '000)				
Performance Information					
Net income after taxation	90,000	28,603	13,077	17,472	8,171
Realised capital (losses) / gains	-	(312)	31	(788)	(1)
Unrealised gains / (losses)	(681)	2	116	69	-
Profit income	92,727	33,339	17,445	19,111	8,673
Net assets value per unit	274.91	236.38	218.36	154.33	191.77
Transactions in securities					
- Purchases	149,400	98,070	320,917	75,748	73,186
- Sales	-	39,949	70,844	34,416	4,099
Total contribution received	606,144	348,584	173,923	149,795	66,961

Lowest and highest issue price of units during the year

AHIPF Equity Sub-Fund		AHIPF Debt Sub-Fund		AHIPF Money Market Sub-Fund	
Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price
(Rupees)					
472.49	619.85	252.43	300.15	226.88	274.20

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

23. PARTICIPANTS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity being augmented (by short-term borrowings or disposal of investments where necessary). During the year no such borrowing was exercised.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank pari passu as to their rights in the net assets and earnings of such sub-fund and are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

24. GENERAL

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

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

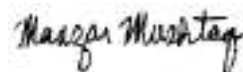
25. DATE OF AUTHORISATION FOR ISSUE

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

For MCB-Arif Habib Savings and Investments Limited
(the Pension Fund Manager)



Chief Executive Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

(Formerly: MCB Arif Habib Savings and Investments Limited)

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