



MCB FUNDS  
Investments for Life

# ANNUAL REPORT 2024

Funds Under Management of  
MCB Investment Management Limited



# **ALHAMRA OPPORTUNITY FUND DIVIDEND STRATEGY PLAN**

## TABLE OF CONTENTS

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1	Fund's Information	1266
2	Report of the Director of the Management Company	1267
3	Report of the Fund Manager	1284
4	Trustee Report to the Unit Holders	1286
5	Report of the Shariah Advisory Board	1287
6	Shariah Compliance Auditor's Report To The Unit Holders	1288
7	Independent Auditor's Report to the Unit Holders	1290
8	Statement of Assets and Liabilities	1293
9	Income Statement	1294
10	Statement of Other Comprehensive Income	1295
11	Statement of Movement in Unit Holder's Fund	1296
12	Cash Flow Statement	1297
13	Notes to and Forming Part of the Financial Statements	1298
14	Pattern of Units Holding by Size	1314
15	Performance Table	1315
16	Proxy Issued By Fund	1316

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	<b>Mr. Haroun Rashid</b> <b>Mr. Shoaib Mumtaz</b> <b>Mr. Khawaja Khalil Shah</b> <b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> <b>Syed Savail Meekal Hussain</b> <b>Ms. Mavra Adil Khan</b>	Chairman Director Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	<b>Syed Savail Meekal Hussain</b> <b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> <b>Mr. Ahmed Jahangir</b> <b>Mr. Shoaib Mumtaz</b> <b>Ms. Mavra Adil Khan</b> <b>Mr. Khawaja Khalil Shah</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	<b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> <b>Syed Savail Meekal Hussain</b> <b>Mr. Khawaja Khalil Shah</b>	Member Member Member Member
<b>Chief Executive Officer</b>	<b>Mr. Khawaja Khalil Shah</b>	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	<b>Mr. Muhammad Asif Mehdi Rizvi</b>	
<b>Company Secretary</b>	<b>Mr. Altaf Ahmad Faisal</b>	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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.cdc-pakistan.com	
<b>Bankers</b>	<b>MCB Islamic Bank Limited</b> <b>Dubai Islamic Bank Limited</b>	
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawane &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Opportunity Fund – Dividend Strategy Plan** accounts review for the year ended June 30, 2024.

### Economy Review

Fiscal year 2024 marked a period of macroeconomic recovery for Pakistan, averting a looming default brought about by continued economic mismanagement. This turnaround was primarily attributed to Pakistan entering a new IMF program after several months of delay. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3.0 billion from the IMF in June 23, and managed to receive timely rollovers from friendly countries. It also showed unwavering commitment to remain compliant with the IMF targets and as a result government was able to successfully complete the program.

The caretaker government took office in August 2023 and immediately faced speculative pressure on the currency, causing it to spike to a record high of 307 in the interbank market. Exchange rate in informal market reached a higher of near 330 PKR/USD reflecting an increase of speculative activity and rampant uncertainty. The government took decisive steps against smuggling of dollar, abuse of Afghan Transit and illegal money dealers in September 2023, which spurred a rapid recovery in the exchange rate. This helped in improving confidence and narrower spreads in open and interbank rates. The authorities also placed mechanisms to strictly monitor exchange rate payments to manage the overall external balance. Combination of both administration measures and steps to discipline external and fiscal accounts helped restore overall stability. The USD PKR close the year at 278.3 appreciating by 2.6% since the start of the year.

Country posted a current account deficit (CAD) of USD 464 million in the first eleven months of the fiscal year 2024 (11MFY24) declining by 88% YoY compared to a deficit of USD 3.8 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 11.3% increase in exports coupled with an 2.3% drop in imports led to a 17.0% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 9.4 billion as of June 2024 compared to USD 4.4 billion at the end of last fiscal year. This was on account of flows from the IMF, friendly countries and multilateral sources.

Headline inflation represented by CPI averaged 23.9% during the fiscal year 2024 compared to 29.0% last year. Inflation remained on the higher side as massive currency depreciation in the prior periods led to surge in food and energy prices. The government also hiked electricity base tariff and gas prices to comply with the IMF conditions, which led to further inflationary pressures. The SBP reduced the policy rate by 150bps to 20.5% in the last monetary policy of the year held on June 10, 2024. The monetary policy noted a significant decline in inflation, resulting in a substantially positive real interest rate, which justifies initiating a monetary easing cycle.

The country's GDP grew by 2.4% in the financial year 2023-24 as compared to -0.2% last year. Agriculture grew by 6.3%, Services and industrial sector witnessed a paltry increase of 1.2% each. Historic high interest rates coupled with political uncertainty were the major culprits behind the subdued industrial and services output. On the fiscal side, FBR tax collection increased by 29.6% in FY24 to PKR 9,285 billion, missing the target by a modest PKR 130 billion.



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

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### Equity Market Review

The stock market witnessed exuberance in fiscal year 2024, as the benchmark KSE-100 increased by staggering 89.2% or 36,992 points, to close at all time high of 78,445 points. This also makes Pakistan the best performing market in the world with USD return of 94.4% in the year.

The bullish momentum continued throughout the year was on account of improvement in macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the successful completion of all IMF reviews under SBA. Moreover, the successful conclusion of elections in February 2024 brought long due clarity amongst investors. In addition, reaffirmation by the incumbent government to continue structural reforms, along with the intention to enter a longer IMF program, further uplifted sentiment. Lastly, the strength of the local currency post-crackdown on currency smuggling and hoarding, strong corporate profitability, increase in taxes on other asset classes in the budget FY25, and start of monetary easing with 150bps cut, all contributed to the sustainable rally.

During FY24, Foreign investors, Insurance, and Corporates were net buyers with an inflow of USD 141 million, USD 126 million and USD 36 million, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 141 million and USD 48 million, respectively. During FY24, average trading volumes for KSE-All Index saw an increase of 140.4% to 461 million shares compared to about 191 million shares in the same period last year. Similarly, the average trading value during the period saw a rise of 118.5% over previous year to near USD 55 million.

Banking, Fertilizer, and E&P sector were the major contributors to the index gain adding 13,262/5,074/4,300 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring besides strong profitability. Fertilizer sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt, which would improve the sector cash flows.

### FUND PERFORMANCE

During the period under review, the fund posted a return of 24.13% against 19.71% for the benchmark. The fund was 86.5% invested in Equities and 12.6% in Cash as at June 30, 2024. The Net Assets of the Fund as at June 30, 2024 stood at Rs. 201 million. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 117.9720.

### Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 3.5% in FY25 after a disappointing performance last year where the GDP increased by only 2.4%. The outlook for industrial output is relatively optimistic with an expected growth of 4.0% compared to 1.2% last year. Macroeconomic stability, stable currency and decline in interest rates will help revive the industrial and service sector growth. Agriculture performance is likely to remain on the lower side due to high base effect.

A new staff-level loan agreement has been reached between Pakistan and the International Monetary Fund (IMF) under which the country will receive USD 7.0 billion over 37 months. The final approval of the loan will be given by the IMF Executive Board. Successful continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. However, our external position still remains precarious due to debt outflows and our inability to raise funds through international Eurobond or Sukuk. Thus, we would continue to run a



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

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sustainable current account this year to stave off external concerns. We expect a CAD of USD 1.0 billion (0.2% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella.

The USD PKR is expected to remain stable as the government is focusing on improving current account deficit on the back of recovery in export and remittances. Entry into the new IMF program will also increase visibility on the external funding. We expect USD/PKR to close the fiscal year around PKR 311.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in June 2024 clocked of 12.6% compared to a high of 38.0% in May 2023. The core inflation also registered a significant slowdown, clocking at 14.1% which is a low of 23 months. The inflation reading is expected to decline to single digits in 1H FY25. Keeping in view the inflationary trends, external and fiscal position we expect interest rate to decline to 14-15% by June 25.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 9.8%, a discount of 48% from its historical average of 18.9%. Similarly, Earning Yield minus Risk Free Rate is close to 7.2%, compared to the historical average of 3.0% 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 11.2%.

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 64.6% during FY24 to PKR 2,574 billion. Total money market funds grew by about 45.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 33.0% to PKR 629 billion while Islamic funds increased by 58.2% to PKR 679 billion. In addition, the total fixed Income funds increased by about 104.7% since June 2023 to PKR 756 billion while Equity and related funds increased by 52.3% to PKR 255 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 50.8%, followed by Income funds with 37.3% and Equity and Equity related funds having a share of 9.9% as at the end of June 30, 2024.

### **Mutual Fund Industry Outlook**

Both Bonds and Equities are likely to do well in the next year on the back of cut in interest rates. During the year, significant interest of investors is already visible in Income Funds while equity fund is likely to see inflows post new IMF agreement. Relatively High interest rates during the period would encourage sustained flows in the money market funds as they are ideal for investors with a short-term horizon and low risk profile.

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.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

### MANAGEMENT COMPANY

On April 18, 2023, MCB Bank Limited (MCB), being the parent company of MCB-Arif Habib Savings and Investments Limited, 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.

Consequently, 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 Securities and Exchange Commission of Pakistan (SECP) has approved the change in name on August 15, 2023.

### CORPORATE GOVERNANCE

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

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

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Shoaib Mumtaz	Non-Executive Director	HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	HR&R* Committee Audit Committee
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	Audit Committee (Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman)
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee
8.	Mr. Khawaja Khalil Shah	Executive Director	HR&R* Committee

\* HR&R stands for Human Resource and Remuneration



## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024**

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

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;
- b. Proper books of accounts of the fund have been maintained;
- c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.;
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;
- f. There are no significant doubts upon the fund's ability to continue as going concern;
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- h. The outstanding taxes, statutory charges and duties, if any, have been fully disclosed in the audited financial statements;
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- j. As at June 30, 2024, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code;
- k. The detailed pattern of shareholding as on June 30, 2024 is annexed;
- l. A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and Committees of the Board;

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

- m. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below are the details of committee meetings held during the year ended June 30, 2024:

### 1. Meeting of the Audit Committee.

During the year, four (4) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Syed Savail Meekal Hussain	4	4	4	0
2. Mr. Ahmed Jahangir	4	4	4	0
3. Mr. Manzar Mushtaq	4	4	4	0

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, two (2) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Fahd Kamal Chinoy	2	2	2	-
2. Mr. Shoaib Mumtaz	2	2	2	-
3. Mr. Ahmed Jahangir	2	2	1	1
4. Ms. Mavra Adil Khan	2	2	1	1

- n. No trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

### EXTERNAL AUDITORS

The Fund's external auditor's **M/s. A.F Ferguson & Co. Chartered Accountants** have retired after completion of audit for Financial Year ended June 30, 2024. The Audit Committee has recommended re-appointment of **M/s. A.F Ferguson & Co. Chartered Accountants** as external auditors of the Fund for financial year ending June 30, 2025 and the Board has also endorsed the

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE YEAR ENDED JUNE 30, 2024**

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recommendation of the Audit Committee. **M/s. A.F Ferguson & Co. Chartered Accountants** has also expressed their willingness to act as the Fund's external auditors.

**ACKNOWLEDGMENT**


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,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
September 25, 2024



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**Manzar Mushtaq**  
Director  
September 25, 2024



## ڈائریکٹرز رپورٹ

انتخاب کیا جائے اور بورڈ نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔ ایم ایس ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے بیرونی آڈیٹرز کے طور پر کام کرنے پر آمادگی ظاہر کی ہے۔

اعتراف

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا مسلسل تعاون کا شکریہ ادا کرتا ہے۔ ڈائریکٹرز نے انتظامیہ کی ٹیم کی کوششوں کو بھی سراہا۔

ڈائریکٹرز کی جانب سے،

*Mansoor Mushtaq*

منظر مشتاق

ڈائریکٹر

25 ستمبر 2024

*خولجہ خلیل شاہ*

خولجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

25 ستمبر 2024

## ڈائریکٹرز رپورٹ

افراد کے نام	منعقد ہونے والی ملاقاتوں کی تعداد	ملاقاتوں کی تعداد		
		مطلوبہ حاضری	حاضری	منظور شدہ رخصت
1 سید سادیل میکانل حسین	4	4	4	0
2 جناب احمد جہانگیر	4	4	4	0
3 جناب منظر مشتاق	4	4	4	0

2۔ ہیومن ریسورس اینڈ ریموونیشن کمیٹی کا اجلاس۔

سال کے دوران ہیومن ریسورس اینڈ ریموونیشن کمیٹی کے دو (2) اجلاس ہوئے۔ ہر شریک کی حاضری حسب ذیل ہے۔

افراد کے نام	منعقد ہونے والی ملاقاتوں کی تعداد	ملاقاتوں کی تعداد		
		مطلوبہ حاضری	حاضری	منظور شدہ رخصت
1 جناب فہد کمال چنائے	2	2	2	-
2 جناب شعیب ممتاز	2	2	2	-
3 جناب احمد جہانگیر	2	2	1	1
4 محترمہ ماورا عادل خان	2	2	1	1

n. ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرل آڈیٹر اور ان کی شریک حیات اور تابائع بچوں کے ذریعہ سال کے دوران فنڈ کے یونٹس میں کوئی تجارت نہیں کی گئی۔

بیرونی آڈیٹرز

فنڈ کے بیرونی آڈیٹر ایم ایس اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس 30 جون 2024 کو ختم ہونے والے مالی سال کے آڈٹ کی تکمیل کے بعد اپنا کام مکمل کر چکے ہیں۔ آڈٹ کمیٹی نے سفارش کی ہے کہ ایم ایس اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس کا 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے فنڈ کے بیرونی آڈیٹرز کے طور پر دوبارہ

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

g. لسٹنگ ریکولیشن میں واضح کردہ کارپوریٹ گورنس کی بہترین رہایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے۔

h. واجب الادائیکس، قانونی چارجز اور ڈیویڈنڈز، اگر کوئی ہیں، مکمل طور پر آڈٹ شدہ مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔

i. پراویڈنٹ/گریجویٹ اور پنشن فنڈ کی سرمایہ کاری کی قدر کا بیان فنڈ پر لاگو نہیں ہوتا لیکن مینجمنٹ کمپنی پر لاگو ہوتا ہے۔ اس لیے ڈائریکٹرز کی رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے۔

j. 30 جون 2024 تک، کمپنی ڈائریکٹرز کے تربیتی پروگرام کے تقاضوں کی تعمیل کر رہی ہے، جیسا کہ کود کے ریکولیشن نمبر 20 میں موجود ہے۔

k. 30 جون 2024 تک حصص یافتگی کا تفصیلی نمونہ منسلک ہے۔

l. بورڈ کی اپنی کارکردگی، بورڈ کے اراکین اور بورڈ کی کمیٹیوں کی سالانہ جانچ کے لیے ایک باضابطہ اور موثر نظام نافذ کیا گیا ہے۔

m. بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ ذیل میں سال ختمہ 30 جون 2024 کے دوران منعقدہ کمیٹی کے اجلاسوں کی تفصیلات درج ہیں۔

1. آڈٹ کمیٹی کا اجلاس۔

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے۔ ہر شریک کی حاضری حسب ذیل ہے۔



## ڈائریکٹرز رپورٹ

5	سید سادیل میکان حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
6	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
7	محترمہ ماورا عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی

\* ایچ آر اینڈ آر کا مطلب ہیومن ریسورس اور معاوضہ ہے۔

انتظامیہ کارپوریٹ گورننس کے ضابطہ میں متعین بہترین طریقوں کی دفعات کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے لیے پرعزم ہے، جس میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی واضح وضاحت کی گئی ہے۔

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ:

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

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

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

d. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، نان بینکنگ فنانس کمپنیز (اسٹیلشمنٹ اینڈ ریگولیشنز) رولز، 2003، نان بینکنگ فنانس کمپنیز اینڈ ٹائیٹائیڈ ریگولیشن 2008، متعلقہ ٹرسٹ ڈیڈز کے تقاضے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

e. اندرونی کنٹرول کا نظام مستحکم خطوط پر اسٹوار ہے اور اسے مزید بہتر بنانے کے لیے جاری کوششوں کے ساتھ مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔

## ڈائریکٹرز رپورٹ

سٹیمٹس لمیٹڈ کے 21,664,167 (30.09 فیصد) حصص حاصل کر لیے ہیں۔ اس پیش رفت کے بعد MCB کی MCB-AH میں حصص یا فکلی 36,956,935 (81.42 فیصد) ہو گئی ہے اور AHCL اب MCB-AH میں حصص کا حامل نہیں ہے۔

نتیجتاً، کمپنی کے اراکین نے 07 جولائی 2023 کو منعقدہ ایک غیر معمولی جنرل میٹنگ (EOGM) میں خصوصی قرارداد کے ذریعے فیصلہ کیا کہ کمپنی کا نام ایم سی بی-عارف حبیب سیونکس اینڈ انویسٹمنٹس لمیٹڈ سے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ میں تبدیل کر دیا جائے اور سیورٹیز ایکسچینج کمیشن آف پاکستان (SECP) نے 15 اگست 2023 کو نام میں تبدیلی کی منظوری دے دی ہے۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو نافذ کرنے کے لیے پرعزم ہے۔ بورڈ آف ڈائریکٹرز (8) اراکین پر مشتمل ہے جس میں چیف ایگزیکٹو آفیسر (CEO) شامل ہیں اور اس میں صنف اور علم کا متنوع امتزاج ہے۔ بورڈ (1) خاتون اور (7) حضرات ڈائریکٹرز پر مشتمل ہے، جن کی درجہ بندی درج ذیل ہے:

40 نان - ایگزیکٹو ڈائریکٹرز؛

3 خود مختار ڈائریکٹرز؛ اور

10 ایگزیکٹو ڈائریکٹر (CEO)۔

مندرجہ بالا تفصیلات درج ذیل ہیں:

سیریل نمبر	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
1	ہارون رشید صاحب	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2	جناب شعیب ممتاز	نان ایگزیکٹو ڈائریکٹر	1* ایچ آر اینڈ آر کمیٹی
3	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی آڈٹ کمیٹی
4	جناب منظر مشتاق	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی

میں مدد کرے گا۔ ہمیں یقین ہے کہ سیکٹرز اور اسٹاکس کا ایک مائیکرو ویو اہم رہے گا اور سرمایہ کاری کے انتخاب کو ان کمپنیوں پر توجہ مرکوز کرنی چاہیے، جو اپنی اصل قیمت پر گہری رعایت پر تجارت کرتی ہیں۔ مارکیٹ فی الحال  $4.7x$  PER پر ٹریڈ کر رہی ہے، جبکہ  $11.2$  فیصد کی منافع بخش پیداوار پیش کر رہی ہے۔

#### میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈز انڈسٹری کے خالص اثاثے مالی سال 2024 کے دوران تقریباً  $64.6$  فیصد بڑھ کر  $2,574$  بلین روپے ہو گئے۔ جون 2023 کے بعد سے کل منی مارکیٹ فنڈز میں تقریباً  $45.0$  فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرے میں، روایتی فنڈز نے  $33.0$  فیصد اضافے سے بڑھ کر  $629$  PKR بلین ہو گئے جبکہ اسلامک فنڈز  $58.2$  فیصد بڑھ کر  $679$  PKR بلین ہو گئے۔ اس کے علاوہ، کل فلیکسڈ انکم فنڈز جون 2023 سے تقریباً  $104.7$  فیصد بڑھ کر  $756$  PKR بلین ہو گئے جبکہ ایکویٹی اور متعلقہ فنڈز  $52.3$  فیصد اضافے سے  $255$  PKR بلین ہو گئے۔

سیگمنٹ شیئر کے لحاظ سے، منی مارکیٹ فنڈز تقریباً  $50.8$  فیصد کے شیئر کے ساتھ سرفہرست تھے، اس کے بعد انکم فنڈز  $37.3\%$  کے ساتھ اور ایکویٹی اور ایکویٹی سے متعلق فنڈز کا حصہ  $9.9$  فیصد کے ساتھ 30 جون 2024 کا اختتام ہوا۔

#### میوچل فنڈ انڈسٹری آؤٹ لک

سود کی شرح میں کمی کی وجہ سے ہانڈز اور ایکویٹیز دونوں اگلے سال میں اچھی کارکردگی کا مظاہرہ کریں گے۔ سال کے دوران، انکم فنڈز میں سرمایہ کاروں کی نمایاں دلچسپی پہلے ہی نظر آ رہی ہے جبکہ ایکویٹی فنڈز میں آئی ایم ایف کے نئے معاہدے کے بعد آمد کا امکان ہے۔ اس مدت کے دوران نسبتاً زیادہ شرح سود منی مارکیٹ کے فنڈز میں مسلسل بہاؤ کی حوصلہ افزائی کرے گی کیونکہ یہ مختصر مدت کے افق اور کم رسک پروفائل والے سرمایہ کاروں کے لیے مثالی ہیں۔

ہمارے کام بغیر کسی رکاوٹ کے رہے اور ڈیجیٹل رسائی اور آن لائن کسٹمرز کے تجربے میں مسابقتی برتری کے پیش نظر، ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد کے فوائد حاصل کرنے کے لیے تیار ہیں۔

#### مینجمنٹ کمپنی

18 اپریل 2023 کو ایم سی بی - عارف حبیب سیونکس اینڈ انویسٹمنٹس لمیٹڈ (MCB-AH) کی parent کمپنی ایم سی بی بینک (MCB) نے عارف حبیب کارپوریشن لمیٹڈ (AHCL) سے ایم سی بی - عارف حبیب سیونکس اینڈ انویسٹمنٹس



FY24 میں 3.5 فیصد تک واپس آنے کی توقع ہے۔ گزشتہ سال 1.2 فیصد کے مقابلے میں 4.0 فیصد کی متوقع نمو کے ساتھ صنعتی پیداوار کے لیے آؤٹ لک نسبتاً پر امید ہے۔ معاشی استحکام، مستحکم کرنسی اور شرح سود میں کمی سے صنعتی اور سروس سیکٹر کی نمو کو بحال کرنے میں مدد ملے گی۔ اعلیٰ بنیاد کے اثر کی وجہ سے زراعت کی کارکردگی ٹھیک طرف رہنے کا امکان ہے۔

پاکستان اور انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے درمیان عملے کی سطح پر قرض کا نیا معاہدہ طے پا گیا ہے جس کے تحت ملک کو 37 ماہ کے دوران 7.0 بلین امریکی ڈالر ملیں گے۔ قرض کی حتمی منظوری آئی ایم ایف کا ایگزیکٹو بورڈ دے گا۔ آئی ایم ایف پروگرام کا کامیاب تسلسل ایک اہم مثبت ہے کیونکہ یہ ہمیں دو طرفہ اور کثیر جہتی ذرائع سے فنڈنگ حاصل کرنے کی اجازت دے گا۔ تاہم، قرضوں کے اخراج اور بین الاقوامی یورو بانڈ یا سکوک کے ذریعے فنڈز اکٹھا کرنے میں ہماری ناکامی کی وجہ سے ہماری بیرونی پوزیشن اب بھی غیر یقینی ہے۔ اس طرح، ہم بیرونی خدشات کو دور کرنے کے لیے اس سال ایک پائیدار کرٹ اکاؤنٹ چلاتے رہیں گے۔ ہمیں مالی سال 25 میں 1.0 USD بلین (GDP کا 0.2%) کی CAD کی توقع ہے کیونکہ IMF کی چھتری کے تحت استحکام کی پالیسی جاری رہنے کا امکان ہے۔

PKR USD کے مستحکم رہنے کی توقع ہے کیونکہ حکومت برآمدات اور ترسیلات زر میں بحالی کی پشت پر کرٹ اکاؤنٹ خسارے کو بہتر بنانے پر توجہ دے رہی ہے۔ آئی ایم ایف کے نئے پروگرام میں داخلے سے بیرونی فنڈنگ کی نمائش میں بھی اضافہ ہوگا۔ ہمیں توقع ہے کہ PKR/USD مالی سال کو 311 PKR پر بند کرے گا۔

بنیادی اثر اور نسبتاً مستحکم کرنسی کی وجہ سے افراط زر کی شرح میں کمی آنا شروع ہو گئی ہے۔ جون 2024 میں ہیڈ لائن افراط زر کی تعداد مئی 2023 میں 38.0 فیصد کی بلند ترین سطح کے مقابلے میں 12.6 فیصد تک پہنچ گئی۔ بنیادی افراط زر میں بھی نمایاں کمی درج کی گئی، جو 14.1 فیصد پر پہنچ گئی جو کہ 23 ماہ کی کم ترین سطح ہے۔ 1HFY25 میں افراط زر کی ریڈنگ سنگل ہندسوں تک گرنے کی توقع ہے۔ افراط زر کے رجحانات، بیرونی اور مالیاتی پوزیشن کو مد نظر رکھتے ہوئے ہم توقع کرتے ہیں کہ 25 جون تک شرح سود 14-15 فیصد تک گر جائے گی۔

کیپٹل مارکیٹ کے نقطہ نظر سے خاص طور پر ایکویٹیز، مارکیٹ اب بھی سستی قیمتوں پر ٹریڈ کر رہی ہے۔ مارکیٹ کیپ ٹوجی ڈی پی کا تناسب 9.8 فیصد پر ہے، جو اس کی تاریخی اوسط 18.9 فیصد سے 48 فیصد کی چھوٹ ہے۔ اسی طرح، ارننگ پیبلڈ مائنس رسک فری ریٹ 7.2 فیصد کے قریب ہے، جو کہ 3.0 فیصد کی تاریخی اوسط کے مقابلے میں ایک گہری رعایت کی نشاندہی کرتا ہے جس پر مارکیٹ ٹریڈ کر رہی ہے۔ بیرونی اکاؤنٹ پر چیلنجز کا حل مارکیٹ کی صلاحیت کو کھولنے

## ڈائریکٹرز رپورٹ

ایم ایف پروگرام میں داخل ہونے کے ارادے سے جذبات میں مزید اضافہ ہوا۔ آخر میں، کرنسی کی اسمگلنگ اور ذخیرہ اندوزی کے خلاف کریک ڈاؤن کے بعد مقامی کرنسی کی طاقت، مضبوط کارپوریٹ منافع، بجٹ FY25 میں دیگر اثاثہ جات پر ٹیکسوں میں اضافہ اور 150bps کی کٹوتی کے ساتھ مالیاتی نرمی کا آغاز، کبھی نے پائیدار ریلی میں حصہ ڈالا۔

مالی سال 24 کے دوران، غیر ملکی سرمایہ کار، انشورنس، اور کارپوریٹس بالترتیب 141 USD ملین، 126 USD ملین اور 36 USD ملین کے خالص خریدار تھے۔ جبکہ بینکوں اور میوچل فنڈز سے بالترتیب 141 USD ملین اور 48 USD ملین کی بڑی فروخت دیکھی گئی۔

FY24 کے دوران KSE-ALL INDEX کے لیے اوسط تجارتی حجم میں گزشتہ سال کی اسی مدت میں تقریباً 191 ملین شیئرز کے مقابلے میں 140.4 فیصد اضافے سے 461 پر جا پہنچی۔ اسی طرح، اس مدت کے دوران اوسط تجارتی قدر میں پچھلے سال کے مقابلے میں 118.5 فیصد اضافہ ہوا جو 55 ملین امریکی ڈالر کے قریب پہنچ گیا۔

بینکنگ، فریڈلائزر، اور ای اینڈ پی سیکنڈ اینڈیکس کے اضافے میں بالترتیب 4,300/5,074/13,262 پوائنٹس کا اضافہ کرنے والے اہم شراکت دار تھے۔ بینکنگ سیکٹر میں وسیع البیاد ریلی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخلے نے مضبوط منافع کے علاوہ مقامی قرضوں کی تنظیم نو کے امکانات کو کم کر دیا۔ کھاد کے شعبے نے متوقع منافع سے بہتر کارکردگی کا مظاہرہ کیا جبکہ گیس سرکیورل ڈیٹ کی منظوری کی خبروں کی وجہ سے ای اینڈ پی میں تیزی آئی، جس سے سیکٹر کیش فلو میں بہتری آئے گی۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران، فنڈ نے 19.71 فیصد بینچ مارک ریٹرن کے مقابلے میں 24.13 فیصد کار ریٹرن پوسٹ کیا۔ 30 جون 2024 تک فنڈ کی 86.5 فیصد ایکویٹیز میں اور 12.6 فیصد کیش میں سرمایہ کاری کی گئی۔

30 جون 2024 تک فنڈ کے خالص اثاثے 201 ملین روپے تھے۔ 30 جون 2024 تک میٹ اثاثہ کی قیمت (NAV) فی یونٹ 117.9720 روپے تھی۔

معیشت اور مارکیٹ – مستقبل کا آؤٹ لک

پاکستان کی جی ڈی پی گزشتہ سال کی مایوس کن کارکردگی جہاں جی ڈی پی میں صرف 2.4 فیصد اضافہ ہوا تھا اس سال

مقابلے میں ملک کی بیرونی صورتحال میں بہتری کو ظاہر کرتے ہیں۔ یہ آئی ایم ایف، دوست ممالک اور کثیر جہتی ذرائع سے آنے والے بہاء کی وجہ سے تھا۔

مالی سال 2024 کے دوران CPI کی طرف سے پیش کردہ ہینڈ لائن افراط زر کی اوسط 23.9 فیصد رہی جو گزشتہ سال 29.0 فیصد تھی۔ افراط زر کی شرح بلندی پر رہی کیونکہ سابقہ ادوار میں کرنسی کی قدر میں زبردست کمی کی وجہ سے توانائی اور خوراک کی قیمتوں میں اضافہ ہوا۔ حکومت نے آئی ایم ایف کی شرائط پر عمل کرنے کے لیے بجلی کے بنیادی ٹیرف اور گیس کی قیمتوں میں بھی اضافہ کیا، جس سے مہنگائی کا دباؤ مزید بڑھ گیا۔ اسٹیٹ بینک نے 10 جون 2024 کو منعقدہ سال کی آخری مانیٹری پالیسی میں پالیسی ریٹ کو 150bps سے کم کر کے 20.5 فیصد کر دیا۔ مانیٹری پالیسی نے افراط زر میں نمایاں کمی کو نوٹ کیا، جس کے نتیجے میں کافی حد تک مثبت حقیقی سود کی شرح ہوئی، جو مانیٹری سائیکل شروع کرنے کا جواز فراہم کرتی ہے۔

مالی سال 2023-24 میں ملک کی جی ڈی پی میں گزشتہ سال -0.2 فیصد کے مقابلے میں 2.4 فیصد اضافہ ہوا۔ زراعت میں 6.3 فیصد اضافہ ہوا، خدمات اور صنعتی شعبے میں ہر ایک میں 1.2 فیصد کا معمولی اضافہ ہوا۔ دبے ہوئے صنعتی اور خدمات کی پیداوار کے پیچھے سیاسی غیر یقینی صورتحال کے ساتھ تاریخی بلند شرح سود سب سے بڑے مجرم تھے۔ مالیاتی پہلو پر، FBR ٹیکس وصولی مالی سال 24 میں 29.6 فیصد بڑھ کر 9,285 بلین روپے تک پہنچ گئی، جس سے ہدف میں 130 بلین روپے کی معمولی کمی واقع ہوئی۔

#### ایکویٹی مارکیٹ کا جائزہ

مالی سال 2024 میں اسٹاک مارکیٹ میں جوش و خروش دیکھا گیا، کیونکہ شیخ مارک KSE-100 حیرت انگیز طور پر 89.2 فیصد یا 36,992 پوائنٹس کے اضافے سے 78,445 پوائنٹس کی بلند ترین سطح پر بند ہوا۔ یہ پاکستان کو سال میں 94.4 فیصد امریکی ڈالر کی واپسی کے ساتھ دنیا کی بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹ بھی بناتا ہے۔

پاکستان کے نئے آئی ایم ایف پروگرام میں داخل ہونے کے بعد میکرو اکنامک اشاریوں میں بہتری کی وجہ سے تیزی کی رفتار سال بھر جاری رہی۔ مارکیٹ کے شرکاء نے SBA کے تحت IMF کے تمام جائزوں کی کامیاب تکمیل پر بھی خوشی کا اظہار کیا۔ مزید برآں، فروری 2024 میں انتخابات کے کامیاب اختتام نے سرمایہ کاروں کے درمیان طویل واضح وضاحت کی۔ مزید برآں، موجودہ حکومت کی طرف سے ڈھانچہ جاتی اصلاحات جاری رکھنے کی تصدیق کے ساتھ ساتھ ایک طویل آئی



پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے الحمرہ آپریٹیوٹی فنڈ - ڈیویڈنڈ اسٹریٹیجی پلان کے 30 جون 2024 کو ختم ہونے والے سال کے اکاؤنٹس کا جائزہ پیش کرنے پر خوشی ہے۔

معیشت کا جائزہ

مالی سال 2024 پاکستان کے لیے میکرو اکنامک بحالی کا ایک دور تھا، جس نے مسلسل معاشی بدانتظامی کی وجہ سے ہونے والے ڈیفالٹ کو روک دیا۔ یہ تبدیلی بنیادی طور پر پاکستان کے کئی ماہ کی تاخیر کے بعد آئی ایم ایف کے نئے پروگرام میں داخل ہونے کی وجہ سے تھی۔ حکومت نے 23 جون میں IMF سے 3.0 USD بلین کی انتہائی ضروری اسٹینڈ بائی آرینجمنٹ (SBA) کی سہولت حاصل کی، اور دوست ممالک سے بروقت رول اوور حاصل کرنے میں کامیاب ہوئی۔ اس نے آئی ایم ایف کے اہداف کی تعمیل کرنے کے لیے غیر متزلزل عزم کا بھی اظہار کیا اور اس کے نتیجے میں حکومت نے اس پروگرام کو کامیابی سے مکمل کر لیا۔

نگراں حکومت نے اگست 2023 میں اقتدار سنبھالا اور فوری طور پر کرنسی پر قیاس آرائی کے دباؤ کا سامنا کرتا ہوا، جس کی وجہ سے یہ انٹر بینک مارکیٹ میں 307 کی بلند ترین سطح پر پہنچ گئی۔ غیر رسمی مارکیٹ میں زر مبادلہ کی شرح 330 USD / PKR کے قریب پہنچ گئی جو قیاس آرائیوں کی سرگرمیوں میں اضافے اور غیر یقینی کی صورت حال کی عکاسی کرتی ہے۔ حکومت نے ستمبر 2023 میں ڈالر کی اسمگلنگ، افغان ٹرانزٹ کے غلط استعمال اور غیر قانونی کرنسی ڈیلرز کے خلاف فیصلہ کن اقدامات کیے، جس سے شرح مبادلہ میں تیزی سے بحالی ہوئی۔ اس سے عتماد کو بہتر بنانے میں مدد ملی اور وپن ور ٹریڈنگ ریٹ میں سپرڈ کو کم کیا گیا۔ حکام نے مجموعی بیرونی توازن کو منظم کرنے کے لیے شرح مبادلہ کی دہائیوں کی سختی سے نگرانی کرنے کے لیے میکانزم بھی بنائے۔ نظامیہ کے اقدامات اور بیرونی ور مالی کھاتوں کے نظم و ضبط کے اقدامات دونوں کے مترج نے مجموعی استحکام کو بحال کرنے میں مدد کی۔ PKR USD سال کے آغاز سے 2.6 فیصد اضافے کے ساتھ 278.3 پر سال کا ختام ہو۔

ملک نے مالی سال 2024 (11MFY24) کے پہلے گیارہ مہینوں میں 464 بلین امریکی ڈالر کا کرنٹ کاؤنٹ خسارہ (CAD) پوسٹ کیا جو گزشتہ سال کی سب سے زیادہ مدت میں 3.8 USD بلین کے خسارے کے مقابلے میں 88 فیصد کم ہے۔ تجارتی خسارہ کم ہوتا CAD کو بہتر بنانے میں ہم کردار د کرنے والا تھا کیونکہ برآمدات میں 11.3 فیصد اضافہ اور درآمدات میں 2.3 فیصد کمی سے تجارتی خسارے میں 17.0 فیصد کمی واقع ہوئی۔ جون 2024 تک سٹیٹ بینک کے زر مبادلہ کے ذخائر بڑھ کر 9.4 بلین امریکی ڈالر ہو گئے جو کہ گزشتہ مالی سال کے ختام پر 4.4 بلین امریکی ڈالر کے

## REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2024

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### Fund Type and Category

Alhamra Opportunity Fund is an Open-End Shariah Compliant Equity plan.

### Fund Benchmark

KMI-30 Index.

### Investment Objective

The objective of the Fund is to provide actively managed exposure to dividend paying shariah Compliant listed equities and aims to generate dividend income over the medium to long term.

### Manager's Review

The fund was launched on 28<sup>th</sup> February 2024. The fund posted a return of 24.13% during the period under review against the benchmark return of 19.71%. Cash exposure was 12.6% and Equities exposure was 86.5% at year end.

The Net Assets of the Fund as at June 30, 2024 stood at Rs. 201 million. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 117.9720.

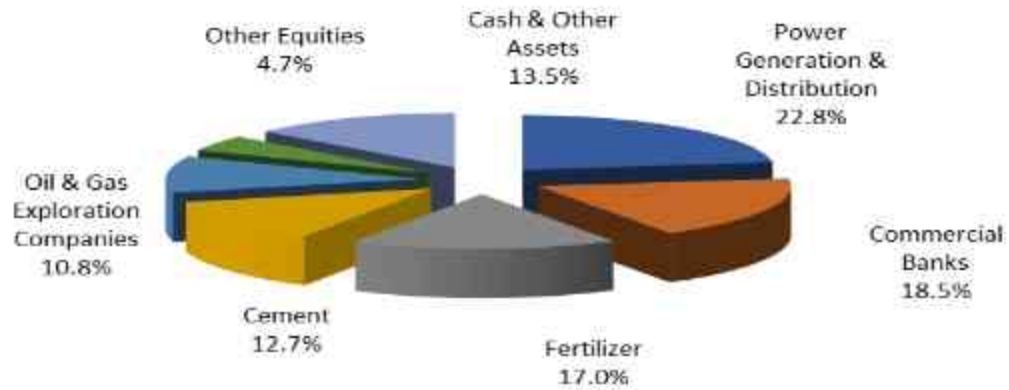
### Asset Allocation as on June 30, 2024 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-24
Cash	12.6%
Stock / Equities	86.5%
Others including receivables	0.9%

**REPORT OF THE FUND MANAGER  
FOR THE YEAR ENDED JUNE 30, 2024**

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**Sector Allocation (%age of Total Assets)**  
**Sector Allocation (%age of Total Asset)**



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**Syed Abid Ali**  
**Fund Manager**



## TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

**Head Office:**

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



### TRUSTEE REPORT TO THE UNIT HOLDERS

#### ALHAMRA OPPORTUNITY FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Opportunity Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from February 28, 2024 to June 30, 2024 in accordance with the provisions of the following:

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

For the attention of unit holders, during an onsite inspection of the Management Company, the Securities and Exchange Commission of Pakistan (SECP) identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, will compensate to the entitled unit holders.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: September 30, 2024



## REPORT OF THE SHARIAH ADVISORY BOARD

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Karachi: September 23, 2024

### REPORT OF THE SHARIAH ADVISORY BOARD

Alhamdulillah, We the Shariah Advisory Board of Alhamra Opportunity Fund-Dividend Strategy Plan (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, the management company of the fund, to establish and maintain a system of internal controls to ensure compliance with Shariah guidelines. Our responsibility is to express an opinion, based on our review of the representation made by the management, to the extent where such compliance can be objectively verified.

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

- We have reviewed and approved the modes of investment of Alhamra Opportunity Fund-Dividend Strategy Plan (ALHOF-DSP) in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHOF-DSP by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of ALHOF-DSP for the year ended have been in compliance with Shariah principles.

During the year an amount of Rupees 79,882. was recorded as charity expense. The total amount of charity payable as at 30 June 2024 amounts to Rs. 79,882.

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



402 Progressive Center  
Sharah-e-Faisal,  
Karachi, Pakistan.

Phone: 492 21 34322551-3  
Web: www.uhy-hnco.com

## Independent Assurance Report on Compliance with the Shariah Governance Regulations, 2023

To the unit holders of Alhamra Opportunity Fund- Dividend Strategy Plan (the Fund)

### 1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Alhamra Opportunity Fund- Dividend Strategy Plan (the Fund) for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2024. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar(s).

### 2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2024) is assessed, comprise the Shariah principles and rules as defined in the Regulations and reproduced as under:

- i. Legal and regulatory framework administered by the Commission;
- ii. Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- iii. Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv. Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
- v. Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended June 30, 2024, which are annexed.

### 3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts, and transactions having Shariah implications, entered into by the Fund with its customers, other financial institutions, and stakeholders, and related policies and procedures, are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for the design, implementation, and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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Lahore Office: 155-A, Shah Jahan, Lahore - 54000, (Pakistan)

Islamabad Office: West Lower Ground, Park Plaza (19-A) Faf-e-Naz Road, Blue Area, Islamabad (Pakistan)







#### 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 the Work Performed

Our responsibility in connection with this engagement is to express an opinion on the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2024, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board.

That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts, and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidence we have obtained through performing our procedures was sufficient and appropriate to provide a basis for our opinion.

#### 7. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, Fund's financial arrangements, contracts, and transactions for the year ended June 30, 2024 are in compliance with the Shariah principles (criteria specified in para 2 above), in all material respects.

  
UHY Hassan Naeem & Co,  
Chartered Accountants  
Engagement Partner: Arslan Ahmed  
Dated: September 27, 2024

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# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



A.F. FERGUSON & CO.

## INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Alhamra Opportunity Fund- Dividend Strategy Plan

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Alhamra Opportunity Fund- Dividend Strategy Plan (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

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

### Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value (NAV)</b> (Refer notes 5 and 6 to the financial statements)</p> <p>Balances with banks and Investments constitute the most significant components of the net asset value. Balances with banks of the Fund as at June 30, 2024 aggregated to Rs. 25.687 million and Investments amounted to Rs. 175.861 million.</p> <p>The existence of balances with banks and the existence and proper valuation of Investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2024 and traced them to the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

11/11

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State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32425007/32427938/32424740; <www.pwc.com/pk>

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### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: October 4, 2024

UDIN: AR202410611FH9BKYotv

# STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	June 30, 2024 (Rupees in '000)
<b>ASSETS</b>		
Balances with banks	5	25,687
Investments	6	175,861
Advances, deposits and other receivables	7	1,700
<b>Total assets</b>		<b>203,248</b>
<b>LIABILITIES</b>		
Payable to MCB Investment Management Limited - Management Company	8	1,050
Payable to Central Depository Company of Pakistan Limited - Trustee	9	34
Payable to the Securities and Exchange Commission of Pakistan	10	14
Accrued expenses and other liabilities	11	956
<b>Total liabilities</b>		<b>2,054</b>
<b>NET ASSETS</b>		<b>201,194</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>201,194</b>
<b>Contingencies and commitments</b>	12	
		<b>(Number of units)</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,705,442</b>
		<b>(Rupees)</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>117.9720</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2024

	Note	For the period from February 27, 2024 to June 30, 2024 (Rupees in '000)
<b>INCOME</b>		
Profit on savings accounts with banks		1,324
Dividend income		5,028
Net realised gain on sale of investments		3,931
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.2	26,942
<b>Total income</b>		<b>37,225</b>
<b>EXPENSES</b>		
Remuneration of MCB Investment Management Limited - Management Company	8.1	1,580
Sindh Sales Tax on remuneration of the Management Company	8.2	205
Allocated expenses	8.3	42
Selling and marketing expenses	8.4	185
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	103
Sindh Sales Tax on remuneration of the Trustee	9.2	13
Fee to the Securities and Exchange Commission of Pakistan	10	49
Auditors' remuneration	13	582
Brokerage, settlement and bank charges		387
Legal and professional charges		37
Shariah advisory fee		89
Printing and related costs		40
Charity expense		80
<b>Total expenses</b>		<b>(3,392)</b>
<b>Net income for the period before taxation</b>		<b>33,833</b>
Taxation	14	-
<b>Net income for the period after taxation</b>		<b>33,833</b>
<b>Earnings per unit</b>	4.12	
<b>Allocation of net income for the period</b>		
Net income for the period after taxation		33,833
Income already paid on units redeemed		(4,156)
		<b>29,677</b>
<b>Accounting income available for distribution</b>		
- Relating to capital gains		27,352
- Excluding capital gains		2,325
		<b>29,677</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED JUNE 30, 2024**

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For the period  
from February  
27, 2024 to  
June 30, 2024  
(Rupees in '000)

Net income for the period after taxation	33,833
Other comprehensive income for the period	-
<b>Total comprehensive income for the period</b>	<u><u>33,833</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2024

For the period from February 27, 2024 to June 30, 2024			
Capital value	Undistributed income	Total	
(Rupees in '000)			
Issuance of 2,455,305 units			
- Capital value (at net assets value per unit at the beginning of the period)	245,531	-	245,531
- Element of income	16,682	-	16,682
<b>Total proceeds on issuance of units</b>	262,213	-	262,213
Redemption of 749,863 units			
- Capital value (at net assets value per unit at the beginning of the period)	(74,987)	-	(74,987)
- Element of loss	(5,940)	(4,156)	(10,096)
<b>Total payments on redemption of units</b>	(80,927)	(4,156)	(85,083)
Total comprehensive income for the period	-	33,833	33,833
Distribution for the period ended June 30, 2024	-	(3)	(3)
@ Rs. 0.0293 per unit on February 28, 2024	-	(6,849)	(6,849)
Distribution for the period ended June 30, 2024	(2,917)	-	(2,917)
@ Rs. 6 per unit on June 26, 2024			
Refund of capital for the period ended June 30, 2024			
<b>Net income for the period less distribution</b>	(2,917)	26,981	24,064
<b>Net assets at the end of the period</b>	178,369	22,825	201,194
<b>Accounting income available for distribution</b>			
- Relating to capital gains	27,352		
- Excluding capital gains	2,325		
Distributions made during the period	29,677		
<b>Undistributed income carried forward</b>	(6,852)		
	22,825		
<b>Undistributed income carried forward</b>			
- Realised income	(4,117)		
- Unrealised income	26,942		
	22,825		
			(Rupees)
<b>Net asset value per unit at the end of the period</b>	117.9720		

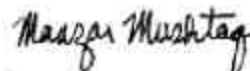
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2024

	Note	For the period from February 27, 2024 to June 30, 2024 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation		33,833
<b>Adjustments for:</b>		
Dividend income		(5,028)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(26,942)
		1,863
<b>Increase in assets</b>		
Investments - net		(148,919)
Advances, deposits and other receivables		(1,700)
		(150,619)
<b>Increase in liabilities</b>		
Payable to MCB Investment Management Limited - Management Company		1,050
Payable to Central Depository Company of Pakistan Limited - Trustee		34
Payable to the Securities and Exchange Commission of Pakistan		14
Accrued expenses and other liabilities		956
		2,054
Dividend received		5,028
<b>Net cash used in operating activities</b>		(141,674)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units - net of refund of capital		259,296
Payments against redemption of units		(85,083)
Dividend paid		(6,852)
<b>Net cash generated from financing activities</b>		167,361
<b>Net increase in cash and cash equivalents during the period</b>		25,687
<b>Cash and cash equivalents at the end of the period</b>	5	25,687

The annexed notes from 1 to 26 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Opportunity Fund-Dividend Strategy Plan (the Fund) was established under a Trust Deed executed between MCB - Arif Habib Savings and Investments Limited (now MCB Investment Management Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 03, 2023 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules). The Fund was registered under the Sindh Trusts Act on January 23, 2023.

In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 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.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in equity securities both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Shariah compliant Equity Scheme" by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 06, 2023 to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.6 As per the offering document approved by the SECP, the accounting period, in case of the first period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from February 27, 2024.

## 2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

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

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

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

### 3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values.

### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

### 3.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. 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 the current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.2 and 6).

### 3.5 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 Pakistani Rupees, which is the Fund's functional and presentation currency.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 4.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

## 4.2 Financial assets

### 4.2.1 Classification and subsequent measurement

#### 4.2.1.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at Fair Value through Other Comprehensive Income (FVOCI). The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

#### 4.2.2 Impairment (other than debt securities)

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

#### 4.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

#### 4.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

#### 4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## 4.3 Financial liabilities

### 4.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

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### 4.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

### 4.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 4.5 Provisions

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

### 4.6 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 circulation at the year end.

### 4.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties, charges and transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties, charges and transaction costs, if applicable.

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

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

### 4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on savings accounts with banks is recognised on an accrual basis.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

## 4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and fee to the SECP are recognised in the Income Statement on an accrual basis.

## 4.11 Taxation

### Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

### Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

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.

## 4.12 Earnings per unit

Earnings per unit is calculated by dividing the net profit of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 4.13 Distributions to unit holders

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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

## 4.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	June 30, 2024 (Rupees in '000)
<b>5 BALANCES WITH BANKS</b>		
- In savings accounts	5.1	25,687
		<u>25,687</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2024**

- 5.1 These carry profits at the rates ranging from 17.00% to 21.30% per annum and include Rs.17.63 million maintained with MCB Islamic Bank Limited (a related party), which carries profit at the rate of 19.70% per annum.

## 6 INVESTMENTS

### Note

**June 30, 2024**  
**(Rupees in '000)**

- ### 6.1 Investments at 'fair value through profit or loss'

Listed equity securities

### 6.1.1

175.861

175.861

#### 6.1.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the investee company	Number of shares					Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at February 27, 2024	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
<div>(Rupees in '000)</div> <div>%</div>											
CEMENT											
Pioneer Cement Limited	-	95,500	-	11,500	84,000	11,219	14,167	2,948	6.38	8.06	0.04
Bestway Cement Limited	-	58,900	-	6,900	52,000	11,419	11,663	244	6.49	6.63	0.01
						22,638	25,830	3,192	12.87	14.69	0.05
CHEMICAL											
Archroma Pakistan Limited	-	14,100	-	2,000	12,100	5,200	4,235	(965)	2.96	2.41	0.04
						5,200	4,235	(965)	2.96	2.41	0.04
COMMERCIAL BANKS											
Meezan Bank Limited*	-	89,900	-	17,200	72,700	14,463	17,404	2,941	8.22	9.90	-
Faysal Bank Limited	-	459,500	-	76,000	383,500	13,130	20,111	6,981	7.47	11.44	0.03
						27,593	37,515	9,922	15.69	21.34	0.03
FERTILIZER											
Engro Fertilizer Limited	-	183,000	-	25,500	157,500	23,443	26,179	2,736	13.33	14.89	0.01
Engro Corporation Limited*	-	27,800	-	2,900	24,900	8,594	8,284	(310)	4.89	4.71	-
						32,037	34,463	2,426	18.22	19.60	0.01
FOOD AND PERSONAL CARE PRODUCTS											
Pakistan Aluminium Beverage Cans Limited	-	8,200	-	8,200	-	-	-	-	-	-	-
						-	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited*	-	2,340	-	990	1,350	3,278	3,662	384	1.86	2.08	-
Oil & Gas Development Company Limited*	-	149,500	-	15,000	134,500	17,320	18,207	887	9.85	10.35	-
						20,598	21,869	1,271	11.71	12.43	-
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited	-	155,300	-	45,300	110,000	12,655	17,939	5,284	7.20	10.20	0.01
Lalpur Power Limited**	-	667,000	-	183,000	484,000	10,502	12,303	1,801	5.97	7.00	0.13
Nishat Chunian Power Limited	-	636,500	-	99,500	537,000	13,501	16,083	2,582	7.68	9.15	0.15
						36,658	46,325	9,667	20.85	26.35	0.29
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	-	5,700	-	-	5,700	2,901	4,178	1,277	1.65	2.38	0.01
						2,901	4,178	1,277	1.65	2.38	0.01
PAPER AND BOARD											
Packages Limited*	-	2,860	-	160	2,700	1,294	1,446	152	0.74	0.82	-
						1,294	1,446	152	0.74	0.82	-
Total as at June 30, 2024						148,919	175,861	26,942			

\* Nil figures due to rounding off

<sup>44</sup> These represent transactions in shares of related parties



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024 (Rupees in '000)
<b>6.2 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>		
Market value of investments	6.1.1	175,861
Less: Carrying value of investments	6.1.1	(148,919)
		<u>26,942</u>
<b>7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>		
Security deposits with:		
- Central Depository Company of Pakistan Limited (CDC)		100
Profit receivable on savings accounts with banks		470
Advance tax	7.1	904
Other receivables		226
		<u>1,700</u>
<b>7.1</b> As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on savings accounts with banks paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on savings accounts with banks amounts to Rs. 0.90 million. Pending resolution of the matter, the amount of withholding tax deducted on dividend and profit on bank deposits has been shown as advance tax as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.		
For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC.		
<b>8 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	Note	June 30, 2024 (Rupees in '000)
Management remuneration payable	8.1	464
Sindh Sales Tax payable on remuneration of the Management Company	8.2	60
Allocated expenses payable	8.3	12
Selling and marketing expenses payable	8.4	126
Sales load payable		236
Shariah advisory fee payable		29
Other payable		123
		<u>1,050</u>
<b>8.1</b> As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 2.95% to 3.35% per annum of the average annual net assets of the Fund during the period ended June 30, 2024. The remuneration is payable to the Management Company monthly in arrears.		
<b>8.2</b> During the period, an amount of Rs. 0.21 million was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% and an amount of Rs. 0.15 million has been paid to the Management Company which acts as a collecting agent.		
<b>8.3</b> In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).		

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

The Management Company, based on its own discretion, has charged such expenses at the rates ranging from 0.08% to 0.10% per annum of the average annual net assets of the Fund for the period from February 27, 2024 to June 30, 2024, subject to total expense charged being lower than actual expense incurred.

- 8.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion ranging from 0.30% to 0.65% per annum, duly authorised by the Board of Directors, while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

- 8.5 During the year, SECP carried out routine offsite review and onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling and marketing expenses to the funds under its management. As a result of this inspection, SECP recommended changes in the mechanism of chargeability of selling and marketing expenses to the Fund. As agreed with SECP, the Management Company has agreed under protest to refund the amount to the identified unit holders subsequent to the year end. The Management Company will carry out an exercise to determine the amount in respect of each fund which is payable to identified unit holders. There is no impact of this refund on Net Asset Value of the Fund as at June 30, 2024.

	Note	June 30, 2024 (Rupees in '000)
<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
Trustee remuneration payable	9.1	30
Sindh Sales Tax payable on trustee remuneration	9.2	4
		<u>34</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the average daily net assets of the Fund during the period. The tariff structure applicable to the Fund in respect of trustee remuneration is as follows:

Average net asset value	Tariff per annum
Up to Rs.1,000 million	0.20% per annum of net assets
Amount exceeding Rs.1,000 million	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

- 9.2 During the period, an amount of Rs. 0.01 million was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% and an amount of Rs. 0.01 million was paid to the Trustee which acts as a collecting agent.

	Note	June 30, 2024 (Rupees in '000)
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
Fee payable	10.1	<u>14</u>

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2023: 0.02%) per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting period.

	June 30, 2024 (Rupees in '000)
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	
Charity payable	80
Auditors' remuneration payable	582
Withholding tax payable	205
Brokerage payable	12
Other payable	77
	<u>956</u>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024.

## 13 AUDITORS' REMUNERATION

**June 30, 2024**  
**(Rupees in '000)**

Annual audit fee	343
Fee for other certifications	147
Out of pocket expenses	49
	539
Sindh Sales Tax	43
	582

## 14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the period ended June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the period.

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.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 2.24% which includes 0.21% representing government levies on the Fund such as sales taxes, fee to the SECP. The prescribed limit for the ratio is 4.50% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Shariah compliant Equity scheme".

## 16 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially 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, sales load, 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 to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

## 16.1 Details of transactions with connected persons are as follows:

For the period  
ended June 30,  
2024  
(Rupees in '000)

### MCB Investment Management Limited - Management Company

Remuneration (including indirect taxes)	1,785
Allocated expenses	42
Selling and marketing expenses	185
Shariah advisory fee	89

### Central Depository Company of Pakistan Limited - Trustee

Remuneration (including indirect taxes)	116
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### Group / Associated Companies

#### MCB Bank Limited

Bank charges	4
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#### MCB Islamic Bank Limited

Profit on savings accounts	902
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#### Lalpir Power Limited

Purchase of 667,000 shares	14,307
Sale of 183,000 shares	4,786
Dividend income	380

## 16.2 Balances outstanding at period end:

June 30, 2024  
(Rupees in '000)

### MCB Investment Management Limited - Management Company

Management remuneration payable	464
Sindh Sales Tax payable on remuneration of the management company	60
Allocated expenses payable	12
Selling and marketing expenses payable	126
Sales load payable	236
Shariah advisory fee payable	29
Other payable	123

### Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	30
Sindh Sales Tax payable on trustee remuneration	4
Security deposit	100

### MCB Islamic Bank Limited

Balances with bank	17,627
Profit receivable on savings accounts	359

### Lalpir Power Limited

484,000 shares held	12,303
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## 16.3 Transactions during the period with connected persons / related parties in units of the Fund:

June 30, 2024							
As at February 27, 2024	Issued for cash	Redeemed	As at June 30, 2024	As at February 27, 2024	Issued for cash	Redeemed	As at June 30, 2024
Units				(Rupees in '000)			

### Group / associated companies

MCB Investment Management Limited	-	200,025	200,025	-	-	20,002	21,656	-
Adamjee Life Assurance Company Limited (IMF)	-	798,612	-	798,612	-	79,555	-	94,214
Adamjee Life Assurance Company Limited (MAZAAF)	-	266,204	-	266,204	-	26,518	-	31,405
Key management personnel	-	23,905	23,905	-	-	2,614	2,674	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2024		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
<b>Financial assets</b>			
Balances with banks	25,687	-	25,687
Investments	-	175,861	175,861
Deposits and other receivables	796	-	796
	<u>26,483</u>	<u>175,861</u>	<u>202,344</u>
<b>Financial liabilities</b>			
Payable to MCB Investment Management Limited - Management Company	1,050	-	1,050
Payable to Central Depository Company of Pakistan Limited - Trustee	34	-	34
Accrued expenses and other liabilities	751	-	751
	<u>1,835</u>	<u>-</u>	<u>1,835</u>

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

### 18.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

#### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

#### (ii) Yield / Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market yield / profit rates. As of June 30, 2024, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis of variable rate instruments

As at June 30, 2024, the Fund is exposed to cash flow yield / profit rate risk on balances with banks. In case of 100 basis points increase / decrease as on June 30, 2024, with all other variables held constant, the net assets value of the Fund and the net income for the period would have been lower / higher by Rs. 0.26 million.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in yield / profit rate.

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



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

The Fund's yield / profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

June 30, 2024					
Yield / Profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and upto one year	More than one year		
(Rupees in '000)					

### On-balance sheet financial instruments

#### Financial assets

Balances with banks	17.00% to 21.30%	25,687	-	-	-	25,687
Investments		-	-	-	175,861	175,861
Deposits and other receivables		-	-	-	796	796
		25,687	-	-	176,657	202,344

#### Financial liabilities

Payable to MCB Investment Management Limited - Management Company		-	-	-	1,050	1,050
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	34	34
Accrued expenses and other liabilities		-	-	-	751	751
		-	-	-	1,835	1,835

### On-balance sheet gap (a)

25,687	-	-	174,822	200,509
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### Off-balance sheet financial instruments

-	-	-	-	-
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### Off-balance sheet gap (b)

-	-	-	-	-
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### Total profit rate sensitivity gap (a+b)

25,687	-	-	-	-
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### Cumulative profit rate sensitivity gap

25,687	25,687	25,687	-	-
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### (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from yield / profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KSE-100 index on June 30, 2024, with all other variables held constant, the total comprehensive income of the Fund for the period would increase / decrease by Rs. 1.76 million and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the 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 Fund's investment portfolio and the correlation thereof to the KSE-100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE-100 Index.

## 18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

	2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees in '000	
Balances with banks	25,687	25,687
Investments	175,861	-
Deposits and other receivables	796	796
	<u>202,344</u>	<u>26,483</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Difference in the balance as per statement of asset and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs. 175.86 million is not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

### 18.2.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit receivables thereon. The credit rating profile of balances with banks is as follows:

Rating category	% of financial assets exposed to credit risk
	2024
AA	31.24
A+	68.76
	<u>100.00</u>

### Concentration of credit risk

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

### Settlement risk

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

### 18.3 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

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

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

	June 30, 2024					
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity
	Rupees in '000					
<b>Financial assets</b>						
Balances with banks	25,687	-	-	-	-	-
Investments	-	-	-	-	-	175,861
Deposits and other receivables	696	-	-	-	-	100
	26,383	-	-	-	-	175,961
<b>Financial liabilities</b>						
Payable to MCB Investment Management Limited - Management Company	1,050	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	34	-	-	-	-	-
Accrued expenses and other liabilities	169	582	-	-	-	-
	1,253	582	-	-	-	-
<b>Net financial assets</b>	<b>25,130</b>	<b>(582)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,961</b>
						<b>200,509</b>

### 19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

#### 19.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

As at June 30, 2024 the Fund held the following financial instruments measured at fair values:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	<b>(Rupees in '000)</b>			
Listed equity securities	175,861	-	-	175,861
	<u>175,861</u>	<u>-</u>	<u>-</u>	<u>175,861</u>

### 20 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

### 21 PATTERN OF UNITHOLDING

Details of pattern of unitholding

	June 30, 2024			
	Number of unit holders	Number of units held	Investment amount (Rupees in '000)	Percentage investment %
Individuals	90	493,864	58,262	28.96%
Associated companies	2	1,064,818	125,619	62.44%
Insurance company	1	146,760	17,314	8.70%
	<u>93</u>	<u>1,705,442</u>	<u>201,194</u>	<u>100.00%</u>

### 22 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Details of commission paid by the fund to top ten brokers by percentage during the period are as follows:

	2024 (Percentage)
1 Akik Capital (Private) Limited	50.92%
2 Ismail Iqbal Securities (Private) Limited	15.18%
3 Khadim Ali Shah Bukhari Securities (Private) Limited	14.18%
4 Alfa Adhi Securities (Private) Limited	12.27%
5 Next Capital Limited	4.98%
6 Top Line Securities (Private) Limited	2.46%

### 23 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

The 189th, 190th, 191th, 192nd, 193rd, 194th, 195th & 196th meeting of the Board of Directors were held on July 21, 2023, July 26, 2023, September 28, 2023, October 12, 2023, October 18, 2023, February 02, 2024, April 19, 2024 and April 22, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

Name of directors	Designation	Number of meetings held	Number of meetings			Meetings not attended
			Attendance required	Attended	Leave granted	
Mr. Haroon Rashid	Chairman	8	8	8	-	-
Mr. Ahmed Jahangir	Director	8	8	8	-	-
Syed Savail Meekal Hussain	Director	8	8	7	1	195th
Ms. Mavra Adil Khan	Director	8	8	6	2	192nd, 195th
Mr. Muhammad Saqib Saleem <sup>1</sup>	Ex-Chief Executive Officer	8	5	5	-	-
Mr. Fahd Kamal Chinoy	Director	8	8	5	3	190th, 192nd, 195th
Mr. Manzar Mushtaq	Director	8	8	8	-	-
Mr. Shoaib Mumtaz	Director	8	8	5	3	192nd, 193th, 195th
Mr. Khawaja Khalil Shah <sup>2</sup>	Chief Executive Officer	8	3	3	-	-

<sup>1</sup> Mr. Muhammad Saqib Saleem resigned from the Board with effect from October 21, 2023.

<sup>2</sup> Mr. Khawaja Khalil Shah has been appointed on the Board with effect from November 01, 2023.

## 24 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Mr. Khawaja Khalil Shah*	Chief Executive Officer	MBA	32
2	Mr. Muhammad Asim	Chief Investment Officer	MBA, CFA	21
3	Mr. Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	13
4	Mr. Saad Ahmed	Head of Fixed Income	MBA	18
5	Syed Abid Ali	Head of Equities	MBA	16
6	Mr. Usama Iqbal	Fund Manager	Graduate	20

\*Mr. Khawaja Khalil Shah appointed on the Board with effect from November 01, 2023.

Syed Abid Ali is the Manager of the Fund as at period end. Other funds being managed by him are as follows:

- Alhamra Islamic Stock Fund;
- Alhamra Islamic Pension Fund;
- Alhamra Islamic Asset Allocation Fund;
- MCB Alhamra KPK Govt Employees Pension Fund- Money Market Sub Fund;
- MCB Pakistan Asset Allocation Fund;
- MCB Pakistan Dividend Yield Plan;
- Pakistan Capital Market Fund;
- Pakistan Pension Fund; and
- MCB KPK Govt Employees Pension Fund- Money Market Sub Fund.

## 25 GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

## 26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 25, 2024 by the Board of Directors of the Management Company.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE  
FOR THE YEAR ENDED JUNE 30, 2024**

No. of Unit Holders	Unit holdings	Total units held
33	A. 001-10,000	809
29	B. 10,001 – 100,000	7,871
18	C. 100,001 – 1000,000	48,011
13	D. 1000,001 & Above	1,648,751
93		1,705,442

**PERFORMANCE TABLE  
FOR THE YEAR ENDED JUNE 30, 2024**

Performance Information	2024
Total Net Assets Value – Rs. in million	201.1943
Net Assets value per unit – Rupees	117.9720
Closing Offer Price	121.9713
Closing Repurchase Price	117.9720
Highest offer price per unit	128.1709
Lowest offer price per unit	100.0000
Highest Redemption price per unit	123.9684
Lowest Redemption price per unit	100.0000
Distribution per unit – Rs. *	6.0000
<b>Average Annual Return - %</b>	
One year	24.1300
Two year	NA
Three year	NA
Net (loss) / Income for the period – Rs. in million	33.8330
Distribution made during the year – Rs. in million	11.0080
Accumulated Capital Growth – Rs. in million	22.8250

\* Date of Distribution

2024	
Date	Rate
June 26, 2024	6.0

**Disclaimer**

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



**PROXY ISSUED BY FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

The Board of Directors of MCB Investment Management Limited (the Management Company of Alhamra Opportunity Fund Dividend Strategy plan – ALHOP-DSP) has an overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on the Management Company's website ([www.mcbfunds.com](http://www.mcbfunds.com)).

During the financial year ended June 30, 2024, the Management Company on behalf of MCB-PDYP participated in two (2) shareholders' meetings. The Management Company did not participate in shareholders' meetings in the cases which did not meet the criteria reported in Paragraph No. 8 and 9 of the Proxy Voting Policy and Procedures. Summary of actual proxies voted during the financial year are as follows:

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Reason for Abstaining</b>
Number	11	11	0	0	-
(%ages)	100	100	0	0	-

Detailed information regarding actual proxies voted by the Management Company in respect of ALHOP-DSP is available without any charges, upon request, to all Unit Holders.

**MCB INVESTMENT MANAGEMENT LIMITED**

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

UAN: (+92-21) 111 468 378 (111 INVEST)

URL: [www.mcbfunds.com](http://www.mcbfunds.com), Email: [info@mcbfunds.com](mailto:info@mcbfunds.com)

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