



MCB FUNDS
Investments for Life

QUARTERLY REPORT

SEPTEMBER
2023
(UNAUDITED)

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



ALHAMRA ISLAMIC STOCK FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Murtaaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited National Bank of Pakistan Standard Chartered Bank Limited Silk Bank Limited MCB Islamic Bank Limited	Bank Islami Pakistan Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Faysal Bank Limited Soneri Bank Limited Al-Baraka Bank Pakistan Limited The Bank of Khyber
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Stock Fund** accounts review for the quarter ended September 30, 2023.

Economy and Money Market Review

The new fiscal year started on a positive note as the government secured a much needed Stand-by Arrangement (SBA) facility of USD 3bn from the IMF, of which USD 1.2bn was promptly disbursed. This was followed by additional inflows of USD 3bn from Saudi Arabia and UAE and timely rollover from China. These led to an upgrade in Pakistan's sovereign rating by Fitch from CCC- to CCC due to the improved external outlook.

Macroeconomic concerns resurfaced in Aug-23 when there was change of political guard as the new interim government came into power. An immediate effort of new finance team to clear pending import payments turned by the speculators to give a notion of weakening external account putting significant pressure on the currency. The rupee weakened to PKR 307 against the greenback in interbank while the open market rate hovered around PKR 330. The interim setup albeit with some delay took decisive steps against smuggling of dollar and abuse of Afghan Transit which led a sharp recovery in exchange rate and elimination of the difference between open market and interbank rates. A sustained action and elimination of smuggling of goods and currency bodes well for the economy.

The country posted a current account deficit (CAD) of USD 0.9bn in the first two months of the fiscal year 2024 (2MFY24) declining by 54% YoY compared to a deficit of USD 2.0bn in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 8.3% decrease in exports coupled with a 26.0% drop in imports led to a 39.5% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 7.6bn as of Sep-23 end compared to USD 4.5bn at the end of last fiscal year. This was on account of flows from IMF and friendly countries.

Headline inflation represented by CPI averaged 29.0% during 1QFY24 compared to 25.1% in the corresponding period last year. Inflation remained on the higher side as currency depreciation led to higher food and energy prices. The government increased electricity base tariff to comply with IMF conditions which led to further inflationary pressure. SBP mainlined status quo in monetary policy held in Sep-23 as it noted that inflation is projected to remain on the downwards trajectory and real interest rates continue to remain in positive territory on a forward-looking basis.

The country's GDP growth recorded at 0.29% in FY23 with Agricultural and Services sector increasing by 1.6% and 0.9%, respectively, while industrial sector witnessed a drop of 2.9%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 24.1% in 1QFY24 to PKR 2,041bn compared to PKR 1,644bn in the same period last year, outpacing the target by PKR 63bn.

The Secondary markets yields initially increased in the period preceding Sep-23 monetary policy as there was a general market consensus that interest rates will be increased by 100-200bps in the MPS. The 3 month yields increased from 22.7% to a high of 23.8% while 3 Year Bond yields rose from 19.5% to a peak of 21.2%. After SBP maintained status quo in the MPS and dollar started reversing, the yields also receded.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2023

The 3-month T-Bill Yield declined to 22.5% while 3 Year PIB decreased to 19.1% as of Sep 23.

Equity Market Review

The stock market witnessed a broad based rally in the quarter as the benchmark KSE-100 increased by 11.5% or 4,780 points to close at 46,232 points. The Initial exuberance was on the back of securing SBA facility of USD 3.0bn from the IMF which took the index to 48,764 points. However, optimism quickly dissipated by the mid of the quarter as the macro economic challenges resurfaced as PKR tanked to all time low, political uncertainty increased and market expected a big interest rate hike all of which unnerved the investors. Nonetheless, the market recouped some of the lost gains near the end of the quarter as PKR appreciated post Government crackdown on smuggling and hoarding of dollar. Moreover, the SBP maintained status quo in the recent monetary policy against market expectation of rate hike, which helped the index to sustain its gains.

During 1QFY24, Insurance, Corporates and Foreigners were net buyers with an inflow of USD 44.8mn, USD 24.8mn and USD 22.0mn, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 43.3mn and USD 37.9mn, respectively. During the quarter, average trading volumes saw an increase of 84% over the last quarter to 281mn shares while the average trading value saw a rise of 109% to USD 33 million.

Banking, E&P and Power sector were the major contributors to the index gain adding 2,208/870/611 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring which was hampering the sector performance. Power 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, ALHISF delivered a return of 7.88% as compared to benchmark return of 9.78%. Overall equity exposure of the fund stood at 97.5% at the end of the period. The fund changed its investment strategy several times during the quarter to cope with various sector and company level fundamental developments. During the period, the fund had exposures majorly in Cement, Oil and Gas Exploration Companies and Commercial Banks.

The Net Assets of the Fund as at September 30, 2023 stood at Rs. 2,659 million as compared to Rs. 2,479 million as at June 30, 2023 registering an increase of 7.26%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 9.72 as compared to opening NAV of Rs. 9.01 per unit as at June 30, 2023 registering an increase of Rs. 0.71 per unit.

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 4.1% in FY24 after a dismal performance last year. The industrial and services sector is expected to show growth as import restriction has been removed which will help to normalize trade activities. Agriculture growth is likely to remain on the higher side due to base effect as the heavy floods last year affected agriculture output. The arrivals of crops have been encouraging with cotton arrival increasing by 72% YoY to 5.0mn bales in the quarter.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 10.5bn on the back of flows from friendly countries, IMF and multilateral agencies.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2023

However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns. We expect a CAD of USD 3.1bn (0.9% of GDP) in FY24 as policy of consolidation is likely to continue under the IMF umbrella.

The rupee has recovered from its recent low due to the administrative measures by the government to curb dollar smuggling and hoarding. However, the sustainability of this recovery will depend on recovery in export and remittances flow. In addition, the flows from bilateral and multilateral sources and reserve building will be vital for external outlook. We expect USD/PKR to close the fiscal year on 311.7 on an ending REER of 95.

We expect Average FY24 inflation to ease to 24.1% compared to 29.0% in FY23 as the base effect will come into play. Inflation readings have peaked and inflation is expected to follow a downward trajectory with headline number falling sharply in 2HFY24. This coupled with the buildup of forex reserves during the period will allow the monetary easing cycle to start in the second half of the year. We expect a cumulative easing of around 4.0% till Jun-24, however, its pace and timing would be determined by trend in FX reserves.

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 7.6%, a discount of 61% from its historical average of 19.5%. Similarly, Earning Yield minus Risk Free Rate is close to 5.6%, compared to the historical average of 2.7% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 4.6x, while offering a dividend yield of 12.2%.

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

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,



Muhammad Saqib Saleem
Chief Executive Officer
October 18, 2023



Manzar Mushtaq
Director
October 18, 2023

ڈائریکٹرز رپورٹ

اظہارِ تشکر

بورڈ فنڈ کے قابلِ قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا اُن کی مسلسل معاونت اور حمایت کے لیے شکرگزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراجِ تحسین پیش کرتے ہیں۔

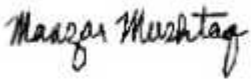
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء



منظر مشاق

ڈائریکٹر

ڈائریکٹرز رپورٹ

مدد ملے گی۔ دوستانہ ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بدولت اسٹیٹ بینک آف پاکستان کے ذخائر متوقع طور پر بڑھ کر 10.5 بلین ڈالر ہو جائیں گے۔ تاہم ہماری خارجی صورتحال تاحال بے یقینی کا شکار ہے کیونکہ ہم مشکل عالمی حالات کے باعث بین الاقوامی یورو بانڈ اور سٹاک کا اجراء ممکن نظر نہیں آ رہا۔ غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے ہونے والی آمدنی بھی موجودہ معاشی مسائل کے باعث ممکنہ طور پر تعطل کا شکار رہیں گی۔ چنانچہ ہمیں سال رواں میں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل کا خطرہ ٹل سکے۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 3.1 بلین ڈالر (جی ڈی پی کا 0.9 فیصد) ہوگا کیونکہ آئی ایم ایف کی چھتری تلے استحکام کے حصول کی پالیسی ممکنہ طور پر جاری رہے گی۔

ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ تاہم اس بحالی کی قابلیت بقاء کا انحصار برآمدات اور ترسیلات کے بہاؤ کی بحالی پر ہے۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیرالجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر/یورو پیہ مالی سال کے اختتام پر 311.7 ہوگا اور اختتامی REER 95 ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.1 فیصد ہو جائے گی کیونکہ base کا اثر اپنا کردار ادا کرے گا۔ مہنگائی کی سطحیں عروج پر پہنچ گئی ہیں اور اس میں بتدریج کمی متوقع ہے، اور ہیڈ لائن عدد مالی سال 2024ء کی دوسری سہ ماہی میں تیزی سے گرے گا۔ اس کے ساتھ ساتھ دوران مدت زرمبادلہ کے ذخائر میں اضافے کی بدولت سال کے نصف آخر میں مالیاتی تسہیل کی گردش شروع ہو سکتی ہے۔ جون 2024ء تک مجموعی طور پر تقریباً 4.0 فیصد مجموعی متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.6 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.7 فیصد سے 61 فیصد کی ہے۔ اسی طرح Earning Yield مائنس محفوظ شرح تقریباً 5.6 فیصد کے قریب ہے، اور جو کہ 2.7 فیصد کی تاریخی اوسط سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب سے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.6x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 12.2 فیصد پر ہے۔

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

ڈائریکٹرز رپورٹ

بڑھ کر 281 ملین حصص ہو گیا، جبکہ اوسط کاروباری قدر 109 فیصد بڑھ کر 33 ملین ڈالر ہو گئی۔ انڈیکس کی بڑھوتری کے اہم ترین عوامل بینکاری اور E&P اینڈ پاور سیکٹر تھے جنہوں نے پالترتیب 2,208، 870 اور 611 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخلے کی بدولت مقامی قرض کی تشکیل نو کا امکان کم ہو گیا جو اس شعبے کی کارکردگی کو متاثر کر رہا تھا۔ پاور سیکٹر نے بہتر متوقع ڈیویڈنڈز کی بدولت کارکردگی کا مظاہر کیا، جبکہ E&P نے گیس کا گروشی قرض ختم ہو جانے کی بدولت ترقی کی راہیں طے کیں جس سے اس شعبے میں نقد کی آمدورفت میں بہتری آئے گی۔

فنڈ کی کارکردگی

دورانِ مدت ALHISF کا منافع 7.88 فیصد تھا، جبکہ اس کا بیچ مارک منافع 9.78 فیصد تھا۔ اختتامِ مدت پر فنڈ کی ایکویٹیز میں مجموعی سرمایہ کاری 97.5 فیصد تھی۔ فنڈ نے دورانِ سہ ماہی اپنی سرمایہ کاری کی حکمتِ عملی میں متعدد بار ترمیم کی تاکہ سیکٹر اور کمپنی کی سطح پر ہونے والی مختلف تبدیلیوں کے ساتھ ہم آہنگی پیدا ہو سکے۔ دورانِ مدت فنڈ کی زیادہ تر سرمایہ کاری سیمنٹ، تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں میں تھی۔

30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 2,659 ملین روپے تھے، جبکہ 30 جون 2023ء کو 2,479 ملین روپے تھے، یعنی 7.26 فیصد اضافہ ہوا۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 9.72 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 9.01 روپے فی یونٹ تھی، یعنی 0.71 روپے فی یونٹ اضافہ ہوا۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس ٹن کارکردگی کے بعد مالی سال 2024ء میں 4.1 فیصد بہتری متوقع ہے۔ صنعت اور خدمات کے شعبے میں ترقی متوقع ہے کیونکہ درآمدات پر عائد پابندی ختم کر دی گئی ہے جس کی بدولت کاروباری سرگرمیاں بحال ہوں گی۔

زراعت کے شعبے کی ترقی متوقع طور پر base کے اثر کی بدولت بلند سطح پر ہوگی کیونکہ گزشتہ سال سیلابوں کے باعث بڑے پیمانے پر زرعی پیداوار متاثر ہوئی تھی۔ فصلوں کی پیداوار حوصلہ افزا رہی، مثلاً کپاس دورانِ سہ ماہی 72 فیصد YoY (سال در سال) بڑھ کر 5.0 ملین گانٹھیں ہو گئی۔

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں

ڈائریکٹرز رپورٹ

میں جو جمود کو بنیادی طور پر برقرار رکھا کیونکہ افراد کی شرح نیچے کی طرف رہنے کا امکان ہے اور سود کی حقیقی شرحیں ترقی پسندانہ بنیاد پر بدستور مثبت زمرے میں برقرار ہیں۔

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023ء میں 0.29 فیصد ترقی ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 2.9 فیصد گراؤ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمداتی پابندیاں صنعتی پیداوار میں کمی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں دیکھا جائے تو ایف بی آر ٹیکس وصولی مالی سال 2024ء کی پہلی سہ ماہی میں 24.1 فیصد بڑھ کر 2,041 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 1,644 بلین روپے کے، چنانچہ ہدف سے 63 بلین روپے زیادہ ٹیکس وصولی ہوئی۔

ثانوی مارکیٹوں کی پیداوار میں ستمبر 2023ء کی مانیٹری پالیسی سے قبل مدت میں ابتدائی طور پر اضافہ ہوا کیونکہ مارکیٹ میں اس بات پر اتفاق تھا کہ MPS میں سود کی شرحوں میں 100 سے 200 بی پی ایس اضافہ ہوگا۔ تین ماہانہ منافع جات 22.7 فیصد سے بڑھ کر 23.8 فیصد ہو گئے جبکہ تین سالہ بانڈز کے منافع جات 19.5 فیصد سے بڑھ کر 21.2 فیصد ہو گئے۔ ایس بی پی کی جانب سے MPS میں جمود کو برقرار رکھنے اور ڈالر کی قدر میں کمی کے بعد منافع جات میں بھی کمی ہونا شروع ہو گئی۔ تین ماہانہ ٹی بیل کے منافع جات ستمبر 2023ء کے اختتام پر کم ہو کر 22.5 فیصد ہو گئے جبکہ تین سالہ پی آئی بی کم ہو کر 19.1 فیصد ہو گئے۔

ایکویٹی مارکیٹ کا جائزہ

اسٹاک مارکیٹ میں دوران سہ ماہی وسیع پیمانے پر تیزی آئی کیونکہ KSE-100 بیچ مارک 11.5 فیصد یعنی 4,780 پوائنٹس بڑھ کر 46,232 پوائنٹس پر بند ہوا۔ ابتدائی جوش و خروش آئی ایم ایف سے 3.0 بلین ڈالر کے SBA کے حصول کی بنیاد پر تھا جو انڈیکس کو 48,764 پوائنٹس تک لے گیا۔ تاہم سہ ماہی کے وسط تک مجموعی معاشی مسائل دوبارہ ابھرنے کے ساتھ رجائیت جلد ہی تحلیل ہو گئی کیونکہ روپیہ اپنی پست ترین سطح تک گر گیا، سیاسی غیر یقینی بڑھ گئی اور مارکیٹ میں شرح سود میں بڑا اضافہ متوقع ہو گیا، اور ان سب عوامل نے سرمایہ کاروں کو بے چینی کا شکار کر دیا۔ تاہم ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کے خلاف حکومتی مہم کے بعد روپے کی قدر میں اضافے کی بدولت سہ ماہی کے اختتام کے قریب مارکیٹ میں منافع جات کی کچھ حد تک تلافی ہوئی۔ مزید برآں، اسٹیٹ بینک آف پاکستان نے مارکیٹ میں شرح میں اضافے کی توقع کے برخلاف حالیہ مانیٹری پالیسی میں جو جیسا ہے اُسے ویسا ہی رکھنے کا لائحہ عمل اختیار کیا جس سے انڈیکس کو اپنے منافع جات برقرار رکھنے میں مدد ملی۔

مالی سال 2024ء کی پہلی سہ ماہی کے دوران بیمہ، کارپوریٹس اور غیر ملکی net خریدار تھے جن کی بدولت بالترتیب 44.8 ملین ڈالر، 24.8 ملین ڈالر اور 22.0 ملین ڈالر کی آمد ہوئی، جبکہ سب سے زیادہ فروخت بینکوں اور میوچل فنڈز کی طرف سے ہوئی جو بالترتیب 43.3 ملین ڈالر اور 37.9 ملین ڈالر تھے۔ دوران سہ ماہی اوسط کاروباری حجم گزشتہ سہ ماہی کے مقابلے میں 84 فیصد

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک اسٹاک فنڈ کے اکاؤنٹس کا جائزہ برائے سرمایہ مُختصہ 30 ستمبر 2023ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

نیامالی سال مثبت انداز میں شروع ہوا کیونکہ حکومت نے آئی ایم ایف سے بے حد مطلوبہ 3 بلین ڈالر کا اسٹینڈ بائے اگرینٹ (ایس بی اے) کر لیا، جس میں سے 1.2 بلین ڈالر فوری طور پر جاری کر دیئے گئے۔ اس کے بعد سعودی عرب اور متحدہ عرب امارات سے 3 بلین ڈالر کی مزید آمد، اور چین کی طرف سے بروقت رول اوور کی فراہمی عمل میں آئی۔ اس کے نتیجے میں خارجی منظر نامے میں خوش آئند پیش رفت کی بدولت Fitch کی جاری کردہ پاکستان کی خود مختار درجہ بندی -CCC سے بہتر ہو کر CCC ہو گئی۔

مجموعی معاشی مسائل اگست 2023ء میں دوبارہ اُبھرنے لگے جب سیاسی منظر نامہ تبدیل ہوا اور نگران حکومت آئی۔ درآمدات کے واجبات کی ادائیگی کے لیے نئی مالیاتی ٹیم کی فوری کوشش کو خارجی اکاؤنٹ کی صورتحال میں کمزوری کے طور پر قیاس کیا گیا جس سے روپے پر قابل ذکر دباؤ پڑا۔ انٹرنیٹ میں ڈالر کے مقابلے میں روپے کی قدر میں 307 روپے کی کمی ہوئی جبکہ اوپن مارکیٹ کی شرح تقریباً 330 روپے کے آس پاس رہی۔ نگران حکومت نے، اگرچہ کچھ تاخیر کے ساتھ، ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے ناجائز استعمال کے حوالے سے فیصلہ گن اقدام کیے جس کے نتیجے میں زرمبادلہ کی شرح تیزی سے بحال ہوئی اور اوپن مارکیٹ اور انٹرنیٹ کی شرحوں میں فرق ختم ہوا۔ باقاعدہ بنیادوں پر کارروائی اور ایشیا اور روپے کی اسمگلنگ کی روک تھام ملک کے حالات میں بہتری کی نوید ہیں۔

ملک کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2024ء کے پہلے دو ماہ میں 0.9 بلین ڈالر تھا، جبکہ گزشتہ سال مماثل مدت میں 2.0 بلین ڈالر تھا، یعنی 54 فیصد سال در سال (YoY) کمی ہوئی۔ تجارتی خسارے کا کم ہونا CAD کو بہتر بنانے میں اہم کردار ادا کر رہا ہے۔ برآمدات میں 8.3 فیصد کمی اور درآمدات میں 26.0 فیصد کمی کی بدولت کاروباری خسارے میں 39.5 فیصد کمی ہوئی۔

ملک کی خارجی صورتحال میں بہتری آئی کیونکہ اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے اختتام پر 4.5 بلین ڈالر کے مقابلے میں بڑھ کر ستمبر 2023ء کے اختتام تک 7.6 بلین ڈالر ہو چکے تھے۔ اس کی وجہ آئی ایم ایف اور دوستانہ ممالک کی طرف سے مالیاتی آمدات تھی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2024ء کی پہلی سہ ماہی کے دوران 29.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 25.1 فیصد تھا۔ اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ حکومت نے آئی ایم ایف کی شرائط پوری کرنے کے لیے بجلی کی بنیادی قیمت میں اضافہ کیا جس کے نتیجے میں مہنگائی کے دباؤ میں مزید اضافہ ہوا۔ ایس بی پی نے ستمبر 2023ء کی مانیٹری پالیسی

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2023**

	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
Note	----- (Rupees in '000) -----	
ASSETS		
Balance with banks	4 54,645	120,136
Investments	5 2,632,943	2,398,010
Receivable against sale of investments	+	21,150
Dividend and profit receivable	9,419	737
Advances, deposits and other receivable	3,364	3,664
Total assets	2,700,370	2,543,697
LIABILITIES		
Payable to the Management Company	6 13,930	13,369
Payable to the Central Depository Company of Pakistan Limited - Trustee	333	324
Payable to the Securities and Exchange Commission of Pakistan	8 202	517
Payable against purchase of investments	-	24,401
Accrued expenses and other liabilities	7 26,771	25,758
Total liabilities	41,236	64,369
NET ASSETS	2,659,134	2,479,328
Unit holders' fund (as per statement attached)	2,659,134	2,479,328
Contingencies and commitments	9	
	----- (Number of units) -----	
Number of Units In Issue	273,514,836	275,081,665
	----- (Rupees) -----	
NET ASSETS VALUE PER UNIT	9.72	9.01

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

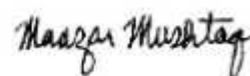
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,	
		2023	2022
(Rupees in '000)			
INCOME			
Capital gain on sale of investments		51,733	24,495
Dividend income		29,629	23,753
Profit on bank deposits		1,504	5,007
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss'	5.1	143,554	(31,509)
Total Income / (Loss)		226,421	21,745
EXPENSES			
Remuneration of the Management Company		13,950	12,197
Sindh Sales Tax on remuneration of the Management Company		1,813	1,586
Remuneration of the Central Depository Company of Pakistan Limited - Trustees		932	862
Sindh Sales tax on remuneration of Trustee		121	112
Securities and Exchange Commission of Pakistan - annual fee		647	122
Allocated expense		1,327	610
Selling and marketing expenses		7,818	7,928
Brokerage, Settlement and bank charges		2,755	2,510
Fees and subscription		-	7
Legal and professional charges		79	68
Shariah advisory fee		151	182
Donation		262	31
Auditors' remuneration		194	112
Printing and related costs		25	875
Total expenses		30,075	27,201
Net Income / (Loss) before taxation		196,346	(5,456)
Taxation	10	-	-
Net Income / (Loss) after taxation		196,346	(5,456)
Allocation of net Income for the period:			
Net Income for the period		196,346	-
Income already paid on units redeemed		(15,585)	-
		180,761	-
Accounting income available for distribution:			
- Relating to capital gains		179,320	-
- Excluding capital gains		1,442	-
		180,761	-
Earning / (Loss) per unit	11		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

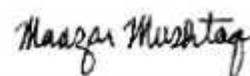
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(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,	
	2023	2022
	----- (Rupees in '000) -----	
Net income / (loss) for the period after taxation	196,346	(5,456)
Other comprehensive income / (loss) for the period	-	-
Total comprehensive income/ (loss) for the period	196,346	(5,456)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

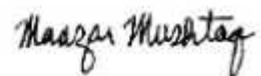
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(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,					
	2023			2022		
	(Rupees in '000)					
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
Net assets at beginning of the period	3,132,247	(652,919)	2,479,328	3,063,112	(632,769)	2,430,343
Issue of 36,602,542 units (2022: 45,237,180 units):						
- Capital value (at net asset value per unit at the beginning of the period)	329,789	-	329,789	411,658	-	411,658
- Element of loss	28,992	-	28,992	3,353	-	3,353
Total proceeds on issuance of units	358,781	-	358,781	415,011	-	415,011
Redemption of 38,169,371 units (2020: 44,974,995 units):						
- Capital value (at net asset value per unit at the beginning of the period)	343,906	-	343,907	409,273	-	409,273
- Refund / adjustment on units as element of income	15,829	15,585	31,414	6,337	-	6,337
Total payments on redemption of units	359,735	15,585	375,320	415,610	-	415,610
Total comprehensive income/ (loss) for the period	-	196,346	196,346	-	(5,456)	(5,456)
	-	196,346	196,346	-	(5,456)	(5,456)
Net assets at end of the period	3,131,293	(472,158)	2,659,134	3,062,513	(638,225)	2,424,288
Undistributed Loss brought forward						
- Realised		(556,655)			(211,325)	
- Unrealised		(96,264)			(421,444)	
		(652,919)			(632,769)	
Accounting income available for distribution:						
- Referring to capital gains		179,320			-	
- Excluding to capital gains		1,442			-	
		180,761			-	
Net Income / (loss) for the period after taxation		-			(5,456)	
Undistributed loss carried forward		(472,158)			(638,225)	
Undistributed loss carried forward						
- Realised		(615,712)			(606,716)	
- Unrealised		143,554			(31,509)	
		(472,158)			(638,225)	
				———— (Rupees) ————		
Net assets value per unit at beginning of the period		9.01			9.10	
Net assets value per unit at end of the period		9.72			9.07	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,	
	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (Loss) for the period before taxation	196,346	(5,456)
Adjustments for:		
Unrealised diminution / (appreciation) in value of investments classified as 'at fair value through profit or loss' - net	(143,554)	31,509
Dividend income	(29,629)	(23,753)
	<u>23,162</u>	<u>2,300</u>
(Increase) / Decrease in assets		
Investments	(91,378)	(63,292)
Dividend, profit and other receivable	(4,217)	1,071
Advances and deposits	300	580
Receivable against sale of investments	21,150	36,897
	<u>(74,145)</u>	<u>(24,745)</u>
(Decrease) / Increase in liabilities		
Payable to the Management Company	561	(9,309)
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	(13)
Payable to Securities and Exchange Commission of Pakistan	(315)	(516)
Payable against purchase of investments	(24,401)	48,848
Accrued expenses and other liabilities	1,013	5,356
	<u>(23,133)</u>	<u>44,366</u>
Dividend Received	25,164	19,288
Net cash (used in) / generated from operating activities	<u>(48,952)</u>	<u>41,209</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	358,781	415,011
Payments on redemption of units	(375,320)	(415,610)
Net cash (used in) financing activities	<u>(16,540)</u>	<u>(599)</u>
Net (decrease)/ increase in cash and cash equivalents during the period	(65,491)	40,610
Cash and cash equivalents at beginning of the period	<u>120,136</u>	<u>141,898</u>
Cash and cash equivalents at end of the period	<u>54,645</u>	<u>182,508</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements

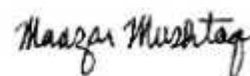
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Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Stock Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 26, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Formation of the Fund as a closed-end fund was authorized by SECP on May 13, 2004, however with effect from November 11, 2010 the Fund was converted into open-end fund. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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 Investments Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.

- 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 categorised as "Shariah Compliant Islamic Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturity. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund.

- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2023 to the Management Company.

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

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRSs) 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
- Non-Banking Finance Companies (Establishment and Regulations) 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 CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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 IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and the requirements of the Trust Deed have been followed..

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2023. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2023 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2023, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2022.
- 2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2023.

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
4. BALANCE WITH BANKS			
- in saving accounts	4.1	36,337	23,170
- in current accounts	4.2	18,308	96,966
		54,645	120,136

- 4.1** These carry profit at rates ranging between 18.5% to 20.25% (June 30, 2023 11.43% to 20.25%) per annum. These include Rs. 9.42 million (June 30, 2022 Rs 82.548 million) held with MCB Islamic Bank Limited (related parties).

- 4.2** These include Rs. 5.92 million (30 June 2023: Rs. 10.852) million held with MCB Bank Limited (a related party).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

(Un-Audited) (Audited)
September 30, June 30,
2023 2022
Note ----- (Rupees in '000) -----

5.1 2,632,943 2,399,010

5. INVESTMENTS

'At fair value through profit or loss'

Listed equity securities

5. Listed equity securities - 'At fair value through profit or loss'

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 September 30, 2023			Market value	
	As at July 01, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance at September 30, 2023	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments	
Automobile Parts & Accessories											
Thal Limited**	19,000	-	-	19,000	-	-	-	-	0.00%	0.00%	
Cable & Electrical Goods											
Pak Elektron Limited	750,000	590,000	-	250,000	1,090,000	11,634	10,835	(800)	0.41%	0.13%	
						11,634	10,835	(800)			
Cement											
Cherat Cement Company Limited	462,264	148,525	-	415,789	205,000	25,021	25,482	1,461	1.00%	0.11%	
D.G. Khan Cement Company Limited*	1,500,000	715,000	-	50,000	2,165,000	114,179	94,004	(20,174)	3.54%	0.48%	
Fauji Cement Company Limited	17,250,000	1,355,000	-	750,000	17,855,000	211,080	201,940	(9,140)	7.59%	0.73%	
Gharibwal Cement Ltd	600,000	-	-	410,000	190,000	2,945	3,038	93	0.11%	0.05%	
Kohat Cement Company Limited	250,000	-	-	250,000	-	-	-	-	0.00%	0.00%	
Lucky Cement Limited	320,000	99,000	-	109,000	310,000	163,965	174,945	10,981	6.58%	0.10%	
Pioneer Cement Limited	150,000	-	-	150,000	-	-	-	-	0.00%	0.00%	
Maple Leaf Cement Factory Limited	5,300,000	2,576,000	-	298,409	7,577,591	220,591	225,873	5,282	8.53%	0.89%	
						738,171	727,283	(10,888)			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

Name of the Investee Company	Number of shares						Balance as at September 30, 2023			Market value	
	As at July 01, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2023	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments	
Chemicals											
Dynsa Pakistan Limited**	88,600	-	-	-	88,600	11,164	12,404	1,240	0.47%	0.47%	
						11,164	12,404	1,240			
Commercial Banks											
Faysal Bank Limited	3,000,000	-	-	200,000	2,800,000	56,504	62,440	5,936	2.36%	0.18%	
Meezan Bank Limited	1,711,189	330,000	-	221,189	1,820,000	57,200	208,690	37,390	7.84%	0.10%	
						227,704	271,030	43,326			
Engineering											
Aisna Steel Mills Limited	2,000,000	-	-	2,000,000	-	-	-	-	0.00%	0.00%	
International Steel's Limited	-	863,092	-	-	863,092	40,938	36,690	(4,268)	1.38%	0.20%	
Mughal Iron & Steel Industries Limited	1,300,000	242,000	-	400,000	1,142,000	37,996	56,940	(1,056)	2.14%	0.34%	
						98,954	93,630	(5,324)			
Fertilizer											
Engro Corporation Limited	515,000	-	-	296,215	218,785	56,860	52,539	(4,321)	1.96%	0.04%	
Engro Fertilizer Limited	900,000	-	-	390,000	510,000	42,090	38,719	(3,371)	1.46%	0.04%	
Fauji Fertilizer Bin Qasim Limited	2,566,000	434,000	-	-	3,000,000	35,888	41,220	5,332	1.56%	0.23%	
						134,838	132,478	(2,360)			
Food & Personal Care Products											
AT-TAHUR LIMITED	1,000,012	-	-	-	1,000,012	16,460	14,950	(1,510)	0.58%	0.46%	
National Foods Limited**	380,000	-	-	30,000	350,000	34,440	38,315	3,875	1.44%	0.15%	
The Organic Meat Company Limited	1,500,375	-	-	1,500,375	-	-	-	-	0.00%	0.00%	
						50,900	53,265	2,364			
Glass & Ceramics											
Shabir Tiles & Ceramics Limited**	1,100,000	350,000	-	-	1,450,000	12,433	11,789	(645)	0.44%	0.44%	
						12,433	11,789	(645)			
Miscellaneous											
Shifa International Hospitals	309,930	-	-	18,200	291,730	35,734	34,058	(1,666)	1.28%	0.46%	
Synthetic Products Limited**	700,000	-	-	-	700,000	7,280	8,085	805	0.30%	0.35%	
						43,014	42,153	(861)			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

Name of the investee Company	Number of shares						Balance as at September 30, 2023			Market value	
	As at July 01, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2023	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments	
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	97,500	34,000	-	-	131,500	202,617	205,153	2,536	7.72%	0.10%	
Oil & Gas Development Company Limited***	1,800,000	200,000	-	190,000	1,810,000	142,738	174,593	31,855	8.57%	0.04%	
Pakistan Petroleum Limited	1,400,000	1,250,000	-	250,000	2,400,000	157,165	177,768	20,603	8.68%	0.09%	
						502,520	557,514	54,994			
Oil And Gas Marketing Companies											
Sul Northern Gas Pipelines Limited	600,000	-	-	-	600,000	23,622	28,188	4,566	1.06%	0.08%	
						23,622	28,188	4,566			
Paper And Board											
Century Paper & Board Mills Limited	450,000	50,000	-	-	500,000	14,158	12,600	(1,558)	0.47%	0.12%	
Package Limited	60,000	-	-	-	60,000	23,356	22,100	(1,256)	0.83%	0.07%	
						37,494	34,700	(2,794)			
Pharmaceuticals											
Citi Pharma limited	1,207,589	367,411	-	215,000	1,360,000	29,832	29,920	88	1.13%	0.60%	
Ferrosol Laboratories Limited	100,000	-	-	-	100,000	13,685	13,992	307	0.53%	0.23%	
Halleon Pakistan Limited	270,000	89,200	-	-	359,200	53,101	51,179	(1,922)	1.92%	0.31%	
Hightoon Laboratories Limited	138,747	-	-	-	138,747	46,643	52,711	6,069	1.98%	0.28%	
						143,260	147,802	4,542			
Power Generation & Distribution											
Hub Power Company Limited***	1,520,000	1,234,541	-	20,000	2,794,541	207,618	241,542	33,924	8.08%	0.21%	
						207,618	241,542	33,924			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

6. PAYABLE TO THE MANAGEMENT COMPANY

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----		
Remuneration payable	6.1	4,593	4,102
Sales tax on remuneration payable	6.2	597	533
Payable against allocated expenses	6.3	870	205
Sale load payable		1	-
Selling and marketing payable	6.4	7,818	8,479
Shariah advisory fee payable		51	50
		<u>13,930</u>	<u>13,369</u>

- 6.1** The Management Company has charged remuneration at the rate up to 4% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2** Sales tax on management remuneration has been charged at the rate of 13%.
- 6.3** The Management Company has charged allocated expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.
- 6.4** The Management Company has charged Selling and Marketing Expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
Provision for Federal Excise Duty and related tax on	7.1		
- Management fee		5,689	5,689
- Sales load		125	125
Auditors' remuneration		785	591
Unclaimed Dividend		12,236	12,236
Brokerage payable		1,188	519
Withholding tax payable		50	179
Charity / donation payable		5,997	5,735
Others		702	684
		<u>26,771</u>	<u>25,758</u>

7.1 Federal Excise Duty and related tax payable

There is no change in the status of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2023. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2023 would have been higher/lower by Re. 0.02 per unit (June 30, 2023: Re. 0.02 per unit).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
SECP fee payable	<u>202</u>	<u>517</u>
	<u>202</u>	<u>517</u>

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average Net Assets of Collective investment Scheme calculated on daily basis.

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

9. CONTINGENCIES AND COMMITMENTS

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

10. 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 Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore, no provision for taxation has been made in these condensed interim 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.

11. Earning / (Loss) per unit

Earnings / (Loss) per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company, the determination of the same is not practicable.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

12. TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 4.40% which includes 0.24% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

13. TRANSACTIONS 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 and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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

13.1 Transactions during the period with connected persons / related parties in units of the Fund:

	For the Quarter ended September 30, 2023							
	As at July 01, 2023	Issued for cash	Redeemed	As at September 30, 2023	As at July 01, 2023	Issued for cash	Redeemed	As at September 30, 2023
	----- Units ----- (Rupees in '000) -----							
Group / associated companies								
D.G. Khan Cement Company Limited - Employees Provident Fund	462,336	-	462,336	-	4,166	-	4,702	-
MCB Investments Management Limited	-	5,096,255	-	5,096,255	-	50,000	-	49,536
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	141,109,001	-	-	141,109,001	1,271,392	-	-	1,371,579
Adamjee Life Assurance Company Limited - Amanat Fund	9,109,298	-	-	9,109,298	82,075	-	-	88,542
Adamjee Life Assurance Company Limited - MAZAAF	25,907,727	-	-	25,907,727	233,429	-	-	251,823
Hyundai Nishat Motor Private Limited - Employees Provident Fund	1,613,687	313,808	-	1,927,495	14,539	3,000	-	18,735
NISHAT MILLS LIMITED	1,121,410	-	-	1,121,410	10,104	-	-	10,900
DCCL Trustee Alhamra Smart Portfolio	2,905,771	-	179,591	2,726,180	26,181	-	1,846	26,498
Key management personnel	1,210,982	1,444,284	1,721,173	934,093	10,911	14,287	17,393	9,079
Mandate under discretionary portfolio services	17,248,544	5,169,936	6,240,504	16,177,975	49,964	69,482	61,690	157,250

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

For the Quarter ended September 30, 2022								
	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022
	Units ----- (Rupees in '000) -----							
Group / associated companies								
Nishat Mills Limited	1,121,411	-	-	1,121,411	10,205	-	-	10,171
D.G. Khan Cement Company Limited - Employees Provident Fund	462,336	-	-	462,336	4,207	-	-	4,193
MCB-Arif Haqib Savings And - Investments Limited	1,911,887	-	1,911,887	-	17,398	-	18,066	-
Adamjee Life Assurance Company Limited - Non-Unitised Investment Linked Fund	-	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	72,848,990	11,037,528	-	83,886,518	662,926	-	-	760,851
Ashgari Beg Memorial Trust	368,021	-	-	368,021	3,349	-	-	3,338
Adamjee Life Assurance Company Limited - Amanat Fund	17,205,899	-	-	17,205,899	156,574	-	-	156,058
Adamjee Life Assurance Company Limited - MAZAAF	41,547,236	-	-	41,547,236	378,080	-	-	376,833
Hyundai Nishat Motor Private Limited - Employees Provident Fund	167,542	715,859	-	883,401	1,525	16,820	-	8,012
DCCL Trustee Alhamra Smart Portfolio	3,869,444	-	958,154	2,911,290	35,212	-	8,873	26,405
Key management personnel	1,902,153	5,843,687	6,739,758	1,006,081	17,310	55,071	63,240	9,125
Mandate under discretionary portfolio services	5,042,907	7,652,923	2,504,707	10,191,123	45,890	69,482	23,572	92,433
Unit Holders Holding 10% or More	36,087,618	-	-	36,087,618	328,397	-	-	327,315

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

13.2 Details of transactions with the connected persons / related parties during the period are as follows:

	(Unaudited) September 30, 2023	(Unaudited) September 30, 2022
	— (Rupees in '000) —	
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	15,763	13,783
Expenses allocated by the Management Company and related sales tax	1,327	610
Shariah advisory fee	151	182
Selling and marketing expenses	7,818	7,928
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	1,053	974
Settlement charges including indirect taxes	131	61
Group / associated companies		
MCB Bank Limited		
Bank charges	4	3
MCB Islamic Bank Limited		
Profit on Bank Deposits	234	-
Nishat Mills Limited		
Purchase 200,000 (2022: 94,000) shares	12,206	6,541
Sales of 250,000 (2022: 629,000) shares	15,417	45,111
International Steels Limited		
Purchase of 863,092 (2022: Nil) shares	40,958	
Dividend	2,158	-
D.G. Khan Cement Company Limited		
Purchase of 715,000 (2022: 446,000) shares	39,841	27,129
Sales of 50,000 (2022: 346,000) shares	2,902	20,946

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
13.3 Amount outstanding as at period end / year end		
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	4,593	4,102
Sales tax payable on Management remuneration	597	533
Expense allocated by the Management Company	870	205
Sales load payable	1	-
Shariah advisory fee payable	51	50
Selling and marketing expenses payable	7,818	8,479
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including indirect taxes)	333	324
Security deposit	2,500	300
MCB Bank Limited		
Balances with bank	5,923	10,852
MCB Islamic Bank Limited		
Balances with bank	9,418	82,548
D.G. Khan Cement Company Limited		
2,165,000 shares held (June 30, 2023: 1,500,000 Shares)	94,004	76,950
Nishat Mills Limited		
400,000 shares held (June 30, 2023: 450,000 shares)	24,008	25,547
International Steels Limited		
863,092 shares held (June 30, 2023: Nil)	36,690	-

14 FAIR VALUE MEASUREMENTS

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.

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:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

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).

15. GENERAL

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

15.2. Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 18, 2023 by the Board of Directors of the Management Company.

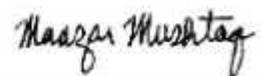
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

(Formerly: MCB Arif Habib Savings and Investments Limited)

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

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