



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 ASSET ALLOCATION 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 Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Saqib Saleem 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 Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan	Meezan Bank Limited Dubai Islamic Bank Pakistan Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Askari Bank Limited Soneri Bank Limited Al Baraka Bank Pak Limited Allied Bank Limited The Bank of Khyber
Auditors	BDO Ebrahim & Co. Chartered Accountants Karachi.	
Legal Advisor	Bawany & 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 Asset Allocation 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 under review, the fund delivered a return of 7.04% as against its benchmark return of 9.24%.

On the equities front, the overall allocation was 88.6% at the end of the period under review. The fund was mainly invested in Cement, Oil & Gas Exploration Companies and Commercial Banks significantly during the period.

Rest of the fund was invested in cash, amounting to 9.9%.

The Net Assets of the Fund as at September 30, 2023 stood at Rs. 1,275 million as compared to Rs. 1,289 million as at June 30, 2022 registering a decrease of 1.086%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 68.3763 as compared to opening NAV of Rs. 65.3123 per unit as at June 30, 2023 registering a increase of Rs. 3.064 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.

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

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. 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.

Mutual Fund Industry Review

The Net Assets of the open end mutual funds industry increased by about 14.7% during 1QFY24 to PKR 1,793bn. Total money market funds grew by about 15.8% since Jun-23. Within the money market sphere, conventional funds showed a growth of 17.0% to PKR 553bn while Islamic funds increased by 14.4% to PKR 491bn. In addition, the total fixed Income funds increased by about 23.0% since Jun-23 to PKR 454bn while Equity and related funds increased by 1.7% to PKR 170bn.

In terms of the segment share, Money Market funds were the leader with a share of around 58.2%, followed by Income funds with 25.3% and Equity and Equity related funds having a share of 8.5% as at the end of Sep-23.

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

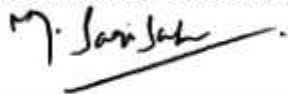
Mutual Fund Industry Outlook

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

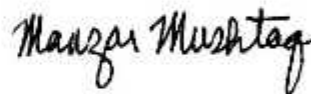
ACKNOWLEDGMENT

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

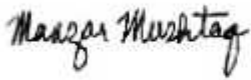
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء



منظر مشاق

ڈائریکٹر

ڈائریکٹرز رپورٹ

کی نگرانی اور پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کی پہلی سہ ماہی کے دوران تقریباً 14.7 فیصد بڑھ کر 1,793 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2023ء سے اب تک تقریباً 15.8 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 17.0 فیصد بڑھ کر 553 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 14.4 فیصد بڑھ کر 491 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 23.0 فیصد بڑھ کر 454 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 1.7 فیصد بڑھ کر 170 بلین روپے ہو گئے۔ شعبہ جاتی شراکت کے اعتبار سے ستمبر 2023ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.2 فیصد کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز 25.3 فیصد کے ساتھ تھے، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈز 8.5 فیصد کے ساتھ تھے۔

میوچل فنڈ صنعت کی مستقبل کا منظر

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

ڈائریکٹرز رپورٹ

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 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 تا حال 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 اروپہ 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 کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.6x 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

ڈائریکٹرز رپورٹ

پالترتیب 43.3 ملین ڈالر اور 37.9 ملین ڈالر تھی۔ دوران سہ ماہی اوسط کاروباری حجم گزشتہ سہ ماہی کے مقابلے میں 84 فیصد 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 گردش 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

زیر جائزہ مدت کے دوران فنڈ کا منافع 7.04 فیصد تھا، بالمقابل اس کے بیچ مارک منافع 9.24 فیصد کے۔

ایکویٹیز کی جانب زیر جائزہ مدت کے اختتام پر مجموعی سرمایہ کاری 88.6 فیصد تھی۔ فنڈ کی زیادہ تر سرمایہ کاری سیمنٹ، تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں میں تھی۔

باقی فنڈ کی سرمایہ کاری نقد میں 9.9 فیصد تھی۔

30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 1,275 ملین روپے تھے، جبکہ 30 جون 2023ء کو 1,289 ملین روپے تھے، یعنی 1.086 فیصد کمی ہوئی۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 68.3763 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 65.3123 روپے فی یونٹ تھی، یعنی 3.064 روپے فی یونٹ اضافہ ہوا۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس کن 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 دوران سہ ماہی 72 فیصد YoY (سال در سال) بڑھ کر 5.0 ملین گانٹھیں ہو گئی۔

ڈائریکٹرز رپورٹ

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 میں جو جمود کو بنیادی طور پر برقرار رکھا کیونکہ افراد ذریعہ 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 گراؤٹ 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 بل 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، کارپوریشن 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

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمراء اسلامک ایسیٹ ایلوکیشن فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختتمہ 30 ستمبر 2023ء پیش خدمت ہے۔

معیشت اور بازارز 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 اگریمینٹ (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 صورت حال 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 صورت حال 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

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

	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	———— (Rupees in '000) ————	
ASSETS		
Balances with banks	4	128,097
Investments	5	1,144,332
Dividend, markup and other receivables		7,459
Advances, deposits and prepayments		3,905
Receivable against sale of investments		7,835
Total assets		1,291,628
LIABILITIES		
Payable to the Management Company	6	4,079
Payable to Central Depository Company of Pakistan Limited		211
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	7	100
Payable against purchase of investments		-
Accrued and other liabilities	8	12,474
Total liabilities		16,864
NET ASSETS		1,274,764
Unit holders' fund (as per statement attached)		1,274,764
Contingencies and commitments	9	
		———— (Number of units) ————
NUMBER OF UNITS IN ISSUE		18,643,368
		———— (Rupees) ————
NET ASSETS VALUE PER UNIT		68.3763

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

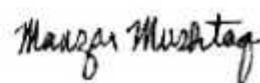
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2023	2022
Note	(Rupees in '000)	
INCOME		
Net gain on sale of investments	20,026	10,402
Dividend income	14,784	13,483
Markup on bank deposits	6,197	9,801
Net unrealised gain / (loss) on revaluation of investments at fair value through profit or loss*	65,922	(19,494)
Total Income	106,929	14,192
EXPENSES		
Remuneration of the Management Company	11,165	13,646
Sindh Sales tax on remuneration of the Management Company	1,451	1,774
Expenses allocated by the Management Company	339	413
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	589	666
Sindh Sales tax on trustee fee	78	87
Annual fee to Securities and Exchange Commission of Pakistan	322	83
Brokerage, settlement and bank charges	1,388	1,412
Printing and related costs	25	31
Fees and subscription	-	8
Shariah advisory fee	151	181
Auditors' remuneration	172	152
Legal and professional charges	79	67
Donation	129	481
Total expenses	15,888	19,001
Net Income / loss from operating activities	91,041	(4,809)
Net Income / loss for the period before taxation	91,041	(4,809)
Taxation	10	-
Net Income / loss for the period after taxation	91,041	(4,809)
<i>Allocation of net income for the period:</i>		
Net Income for the period after taxation	91,041	-
Income already paid on units redeemed	(7,608)	-
	83,433	-
<i>Accounting income available for distribution:</i>		
- Relating to capital gains	83,433	-
- Excluding capital gains	-	-
	83,433	-
Earning per unit	11	

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

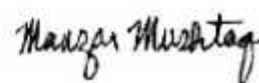
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2023	2022
	----- (Rupees in '000) -----	
Net Income / loss for the period after taxation	91,041	(4,807)
Other comprehensive income for the period:	-	-
Total comprehensive income / loss for the period	<u>91,041</u>	<u>(4,807)</u>

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

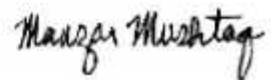
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30, 2023			September 30, 2022		
	Capital value	Undistributed income/ (accumulated loss)	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,489,352	(200,401)	1,288,952	1,919,624	(230,553)	1,689,071
Issuance of 619,603 units (2022: 357,113 units):						
- Capital value (at net asset value per unit at the beginning of the period)	40,468	-	40,468	22,995	-	22,995
- Element of income	37	-	37	397	-	397
	40,504	-	40,504	23,392	-	23,392
Redemption of 1,711,449 units (2022: 2,484,090 units):						
- Capital value (at net asset value per unit at the beginning of the period)	111,779	-	111,779	159,957	-	159,957
- Element of loss / Income	13,260	(7,608)	5,652	1,775	-	1,775
	125,038	7,608	117,430	161,732	-	161,732
Total comprehensive Loss for the period	-	91,041	91,041	-	(4,807)	(4,807)
Final distribution for the year ended June 30, 2023 at the rate of 1.4341 per unit Declared on July 01, 2023	-	(28,303)	(28,303)	-	-	-
Net Income / Loss for the period less distribution	-	62,738	62,738	-	(4,807)	(4,807)
Net assets at end of the period	1,404,818	(145,271)	1,274,764	1,781,284	(235,360)	1,545,924
Undistributed income brought forward comprising of:						
- Realised gain		(180,907)			(27,389)	
- Unrealised gain		(19,494)			(203,164)	
		(200,401)			(230,553)	
Net Income / loss for the period after taxation		83,433			(4,807)	
Distribution during the period		(28,303)			-	
Undistributed income carried forward		(145,271)			(235,360)	
Undistributed income carried forward comprising of:						
- Realised gain		(211,193)			(215,866)	
- Unrealised loss		65,922			(19,494)	
		(145,271)			(235,360)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		65.3123			64.3927	
Net assets value per unit at end of the period		68.3763			64.1361	

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

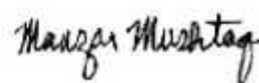
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2023	2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/ loss for the period before taxation	91,041	(4,807)
Adjustments for:		
Net unrealised loss / (gain) on revaluation of investments 'at fair value through profit or loss'	(65,922)	19,494
	<u>25,119</u>	<u>14,687</u>
Increase in assets		
Investments	35,134	(6,922)
Markup receivable	(4,431)	(244)
Receivable against sale of investments	2,333	14,374
Advances, deposits and prepayments	1	35
	<u>33,037</u>	<u>7,243</u>
Decrease in liabilities		
Payable to the Management Company	(84)	(337)
Payable to Central Depository Company of Pakistan Limited	(2)	(11)
Payable to Securities and Exchange Commission of Pakistan	(202)	(346)
Payable against purchase of investments	(12,903)	(9,372)
Accrued and other liabilities	756	(2,218)
	<u>(12,435)</u>	<u>(12,284)</u>
Net cash generated from operating activities	<u>45,721</u>	<u>9,646</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	40,504	23,391
Payments on redemption of units	(117,430)	(161,732)
Dividend distribution	(28,303)	-
Net cash (used in) financing activities	<u>(105,229)</u>	<u>(138,341)</u>
Net decrease in cash and cash equivalents during the period	<u>(59,508)</u>	<u>(128,694)</u>
Cash and cash equivalents at beginning of the period	187,605	324,500
Cash and cash equivalents at end of the period	<u>128,097</u>	<u>195,806</u>

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

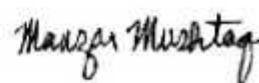
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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 Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2005 under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC rules). The Trust Act, 1882 was 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 NBFC Rules through a certificate of registration issued by 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 securities or instruments 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 Islamic Asset Allocation" 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 SECP.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager 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 the Central Depository Company of Pakistan Limited as 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.

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.

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

- 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.
- 3.2 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.

4 BANK BALANCES	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
In current accounts	4.1	9,783	7,247
In saving accounts	4.2	<u>118,315</u>	<u>180,358</u>
		<u><u>128,098</u></u>	<u><u>187,605</u></u>

- 4.1 These include Rs.9.690 million (June 30, 2023: Rs 6.877 million) maintained with MCB Bank Limited, a connected person / related party.
- 4.2 These carry profit at the rates ranging between 18.5% to 21.25% (June 30, 2023: 11.05% to 20.25%) per annum and include Rs. 107.187 million (June 30, 2023: 170.340 million) maintained with MCB Islamic Bank Limited, (a related party)

5 INVESTMENTS	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
Investment by category			
5.1 'At fair value through profit or loss " - Quoted equity securities	5.1.1	<u>1,144,332</u>	<u>1,113,544</u>
		<u><u>1,144,332</u></u>	<u><u>1,113,544</u></u>

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

5.1.1 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	Right issue/Bonus during the period	Sold during the period	As at September 30, 2023	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of total investments	As a percentage of net assets
(Rupees in '000)										
Automobile Parts & Accessories										
Agriso Industries Limited***	325	-	-	325	-	-	-	-	0.00%	0.00%
									0.00%	0.00%
Cement										
Cherat Cement Company Limited	130,000	82,500	-	212,500	-	-	-	-	0.00%	0.00%
D.G. Khan Cement Company Limited**	700,000	380,200	-	291,017	789,183	41,625	34,266	(7,358)	2.99%	2.69%
Fauji Cement Company Limited	8,500,250	625,000	-	824,500	8,300,750	97,743	93,881	(3,862)	8.20%	7.36%
Gharibwal Cement Ltd	650,000	-	-	500,000	150,000	2,325	2,399	74	0.21%	0.19%
Kohat Cement Company Limited	70,000	-	-	70,000	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	147,500	-	-	29,500	118,000	61,607	66,592	4,985	5.82%	5.22%
Maple Leaf Cement Factory Limited	1,900,000	1,491,459	-	100,000	3,291,459	96,284	98,546	2,263	8.61%	7.73%
					12,649,392	299,583	295,685	(3,898)	25.84%	23.20%
Chemicals										
Archroma Pakistan Limited	25,000	-	-	-	25,000	11,750	11,000	(750)	0.96%	0.86%
					25,000	11,750	11,000	(750)	0.96%	0.86%
Commercial Banks										
Faysal Bank Limited	1,700,000	-	-	565,000	1,135,000	22,904	25,311	2,406	2.21%	1.99%
Mezan Bank Limited*****	805,000	225,501	-	130,000	900,501	86,753	103,206	16,454	9.02%	8.10%
					2,035,501	109,657	128,517	18,860	11.23%	10.08%
Engineering										
International Steels Limited	-	422,500	-	-	422,500	20,170	17,960	(2,209)	1.57%	1.41%
Mughal Iron & Steel Industries Limited	250,000	315,000	-	50,000	515,000	26,190	25,678	(512)	2.24%	2.01%
					937,500	46,360	43,638	(2,722)	3.81%	3.42%
Fertilizer										
Engro Fertilizer Limited	700,000	-	-	250,000	450,000	37,139	34,164	(2,975)	2.99%	2.68%
Engro Corporation Limited	265,000	-	-	242,000	23,000	5,977	5,523	(454)	0.48%	0.43%
Fauji Fertilizer Bin Qasim Limited*****	1,000,000	200,000	-	-	1,200,000	14,300	16,488	2,188	1.44%	1.29%
					1,673,000	57,416	56,175	(1,241)	4.91%	4.41%
Food & Personal Care Products										
National Foods Limited	180,000	-	-	30,000	150,000	14,760	16,421	1,661	1.43%	1.29%
AT-TAHJIR LIMITED	400,000	-	-	-	400,000	6,584	5,980	(604)	0.52%	0.47%
The Organic Meat Company Limited	600,006	-	-	600,006	-	-	-	-	0.00%	0.00%
					550,000	21,344	22,401	1,057	1.96%	1.76%
Miscellaneous										
Shifa International Hospitals	140,000	-	-	25,000	115,000	14,086	13,430	(657)	1.17%	1.05%
					115,000	14,086	13,430	(657)	1.17%	1.05%
Oil & Gas Exploration Company										
Mari Petroleum Company Limited	46,000	13,650	-	2,000	57,650	87,933	89,940	2,006	7.86%	7.06%
Oil & Gas Development Company Limited	750,000	150,000	-	39,000	861,000	68,299	83,052	14,753	7.26%	6.52%
Pakistan Oilfields Limited	55,000	-	-	55,000	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	600,000	635,000	-	125,000	1,110,000	72,588	82,238	9,650	7.18%	6.45%
					2,028,650	228,820	255,210	26,389	22.30%	20.02%

**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				As at September 30, 2023	Balance as at September 30, 2023			Market value	
	As at July 01, 2023	Purchased during the period	Right issue/Bonus during the period	Sold during the period		Carrying value	Market value	Unrealised (loss) / gain	As a percentage of total investments	As a percentage of net assets
						----- (Rupees in '000) -----			%	
Oil & Gas Marketing Company										
Attock Petroleum Limited	60,000	-	-	-	60,000	18,015	17,485	(530)	1.53%	1.37%
					60,000	18,015	17,485	(530)	1.53%	1.37%
Paper And Board										
Century Paper & Board Mills Limited	198,000	-	-	-	198,000	5,592	4,990	(602)	0.44%	0.39%
Packages Limited	37,244	-	-	7,244	30,000	11,668	11,050	(618)	0.97%	0.87%
					228,000	17,260	16,040	(1,220)	1.40%	1.26%
Pharmaceuticals										
Citi Pharma limited	500,000	-	-	-	500,000	10,670	11,000	330	0.96%	0.86%
Haleon Pakistan Limited	110,000	49,300	-	-	159,300	23,802	22,697	(1,105)	1.98%	1.78%
Highnoon Laboratories Limited	82,225	-	-	2,200	80,025	26,902	30,402	3,500	2.66%	2.38%
					739,325	61,374	64,099	2,725	5.60%	5.03%
Power Generation & Distribution										
Hub Power Company Limited	760,000	410,000	-	60,000	1,110,000	81,696	98,046	16,350	8.57%	7.69%
					1,110,000	81,696	98,046	16,350	8.57%	7.69%
Refinery										
Attock Refinery Limited	-	102,000	-	-	102,000	24,916	25,963	1,047	2.27%	2.04%
					102,000	24,916	25,963	1,047	2.27%	2.04%
Technology & Communication										
Systems Limited	180,000	-	-	105,000	75,000	30,250	29,537	(713)	2.58%	2.32%
					75,000	30,250	29,537	(713)	2.58%	2.32%
Textile Composite										
Interloop Limited	1,115,000	250,000	-	145,000	1,220,000	44,467	55,095	10,628	4.81%	4.32%
Kohinoor Textile Mills Limited	450,650	-	-	450,500	150	8	9	1	0.00%	0.00%
Nisat (Chunian) Limited	550,000	-	-	550,000	-	-	-	-	0.00%	0.00%
Nisat Mills Limited**	219,399	15,511	-	34,910	200,000	11,410	12,004	594	1.05%	0.94%
					1,420,150	55,885	67,108	11,223	5.86%	5.26%
Glass & Ceramics										
Shabbar Tiles & Ceramics Limited***	439	-	-	439	-	-	-	-	0.00%	0.00%
					-	-	-	-	0.00%	0.00%
Total as at September 30, 2022						1,078,413	1,144,334	65,922		
Total as at June 30, 2023						1,148,019	1,113,544	(34,475)		

* Nil figures due to rounding off

** These represent transactions in shares of related parties

*** These have a fair value of R. 5 per share

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

***** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan (SECP).

Name of security	September 30, 2023	June 30, 2023	September 30, 2023	June 30, 2023
	— (Number of shares) —		— (Rupees in '000) —	
Meezan bank limited	500,000	500,000	57,305	43,185
Fauji Cement Company Limited	2,000,000	2,000,000	22,620	23,520
	<u>2,500,000</u>	<u>2,500,000</u>	<u>79,925</u>	<u>66,705</u>

5.1.1.1 There is no change in the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2023. As at September 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.029 million (June 30, 2023: Rs. 0.030 million).

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		— (Rupees in '000) —	
6 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable	6.1.1	3,472	3,545
Sindh Sales Tax payable on remuneration of the Management Company	6.1.2	451	461
Allocated expenses payable	6.1.3	105	107
Shariah advisory fee payable		51	50
		<u>4,079</u>	<u>4,163</u>

6.1.1 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.

6.1.2 Sales tax on management remuneration has been charged at the rate of 13%.

6.1.3 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.

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

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		— (Rupees in '000) —	
SECP fee payable		100	302
		<u>100</u>	<u>302</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.

	Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		— (Rupees in '000) —	
8 ACCRUED AND OTHER LIABILITIES			
Federal Excise Duty payable on management fee	8.1	5,910	5,910
Federal Excise Duty payable on sales load		1,136	1,136
Charity / donation payable		3,299	3,170
Auditors' remuneration		702	530
Withholding tax payable		11	4
Brokerage payable		730	302
Other payables		686	666
		<u>12,474</u>	<u>11,718</u>

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

8.1 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year 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 by Re. 0.38 per unit (June 30, 2023: Re. 0.36 per unit).

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 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.

12 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, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

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

12.1 Unit Holders' Fund

September 30, 2023 (Un-Audited)								
	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 Ltd Employees Provident Fund Trust	112,524	2,526	115,050	-	7,349.20	161	8,175	-
Adamjee Life Assurance Co. Limited - (Investment Multiplier Fund)	2,142,460	40,884	-	2,183,344	139,929	2,612	-	149,289
Adamjee Life Assurance Co. Ltd. Aamaanat Fund	1,267,428	24,186	-	1,291,614	82,779	1,545	-	88,316
Adamjee Life Assurance Co. Ltd -Mazaaf	3,580,650	68,329	-	3,648,979	233,860	4,365	-	249,504
Hyundai Nishat Motor Private Limited Employees Provident Fund	223,742	55,655	-	279,397	14,613	3,721	-	19,104
Key management personnel	16,740	1,081	17,507	314	1,093	70	1,176	21
Mandate under Discretionary Portfolio Services								
	1,188,302	73,292	8,754	1,252,840	77,611	4,848	625	85,665

September 30, 2022 (Un-Audited)								
	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								
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	112,524	-	-	112,524	7349	-	-	7,217
Adamjee Life Assurance Co. Limited - (Investment Multiplier Fund)	580,377	-	-	580,377	37,372	-	-	37,223
Adamjee Life Assurance Co. Ltd. Aamaanat Fund	463,331	108,766	-	572,097	29,835	7,000	-	36,692
Adamjee Life Assurance Co. Ltd -Mazaaf	1,932,537	-	-	1,932,537	124,441	-	-	123,945
Hyundai Nishat Motor Private Limited Employees Provident Fund	167,136	-	-	167,136	10,762	-	-	10,719
Key management personnel	17,324	464	-	17,788	1,116	30	-	1,141
Mandate under Discretionary Portfolio Services								
	742,386	154,177	101,652	794,911	47,804	10,168	6,551	50,982

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

	(Un-Audited)	
	September 30, 2023	September 30, 2022
	(Rupees in '000)	
12.2 Transactions during the period:		
MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)		
Remuneration (including indirect taxes)	12,616	15,420
Expenses allocated by the Management Company	339	413
Shariah advisory fee	151	181
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	667	753
Settlement charges	71	40
Group / Associated Companies:		
MCB Bank Limited		
Bank charges	5	3
D.G. Khan Cement Company Limited		
Purchase of shares 380,200 (2022: 225,000) shares	21,064	13,925
Sale of shares 291,017 (2022: 150,265) shares	12,539	8,955
Nishat Mills Limited		
Purchase of 15,511 (2022: 50,000) shares	947	3,475
Sale of shares 34,910 (2022: 450,000) shares	2,095	31,443
International Steels Limited		
Purchase of 422,500 (2022: Nil) shares	20,170	-
	(Un-Audited)	(Audited)
	September 30, 2023	June 30, 2023
	(Rupees in '000)	
12.3 Balances outstanding at period / year end:		
MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)		
Remuneration payable	3,472	3,545
Sindh sales tax payable on management remuneration	451	461
Expense allocated by the Management Company	105	107
Shariah advisory fee payable	51	50
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	187	190
Sindh sales tax payable on trustee remuneration	24	23
Security deposit	200	200
Group / Associated Companies:		
MCB Islamic Bank Limited		
Balance with bank	107,187	170,340
MCB Bank Limited		
Balance with bank	9,690	6,877
D.G. Khan Cement Company Limited		
789,183 (2023: 700,000) shares held	34,266	35,910
Nishat Mills Limited		
200,000 (2023: 219,399) shares held	12,004	12,455
International Steels Limited		
422,500 (2023: Nil) shares held	17,960	-
* The amount disclosed represents the amount of brokerage paid / payable to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.		

13 TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 4.68% which includes 0.58% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

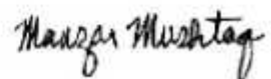
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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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