

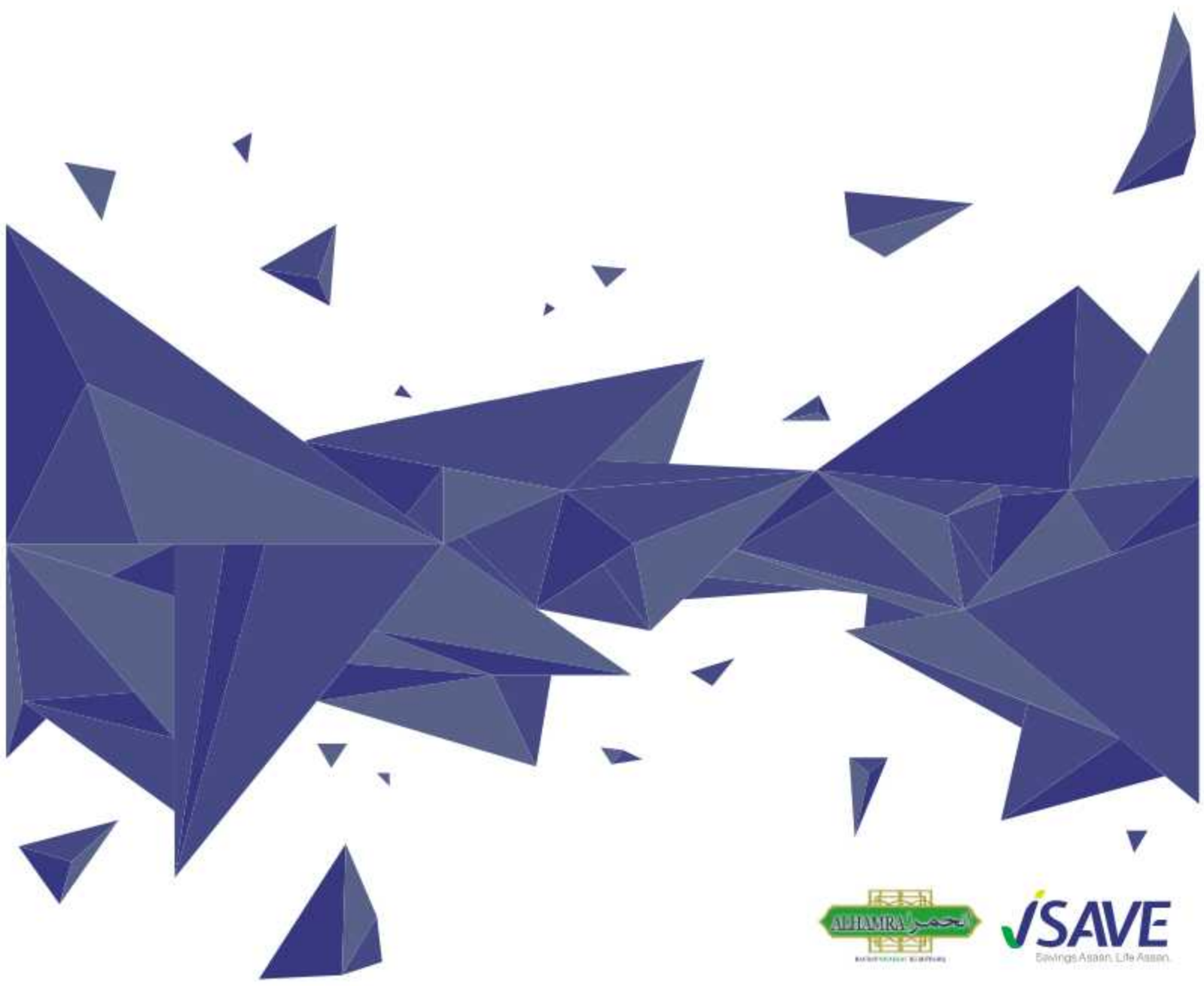


MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2023**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **ALHAMRA ISLAMIC STOCK FUND**

## TABLE OF CONTENTS

---

---

1	Fund's Information	223
2	Report of the Directors of the Management Company	224
3	Trustee Report to the Unit Holders	233
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	234
5	Condensed Interim Statement of Assets And Liabilities	235
6	Condensed Interim Income Statement (Un-audited)	236
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	237
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	238
9	Condensed Interim Cash Flow Statement ( Un-audited)	239
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	240

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah 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
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdc-pakistan.com	
<b>Bankers</b>	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
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

---

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Stock Fund** accounts review for the Half Year ended December 31, 2023.

### **Economy and Money Market Review**

The first half of the fiscal year concluded with Pakistan's macros in a considerably better shape compared to the start of the fiscal year. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3 billion from the IMF in June 23, of which USD 1.2bn was promptly disbursed. This was followed by additional inflows and timely rollovers from friendly countries, which led to an upgrade in Pakistan's sovereign rating by Fitch from CCC- to CCC due to the improved external outlook.

The new caretaker government, after facing speculative pressure on currency, took decisive steps against smuggling of dollar and abuse of Afghan Transit in September 2023, which spurred a rapid recovery in the exchange rate and reduction of the difference between open market and interbank rates. This led to improvement in remittances and export proceeds and helping the rupee to appreciate to PKR 281.9 against the USD by December end compared to a low of PKR 307.

Country posted a current account deficit (CAD) of USD 0.8 billion in the first half of the fiscal year 2024 (1HFY24) declining by 77% YoY compared to a deficit of USD 3.6 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 7.5% increase in exports coupled with a 14.7% drop in imports led to a 35.2% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 8.2 billion as of December 2023 compared to USD 4.4 billion at the end of last fiscal year. This was on account of flows from the IMF, friendly countries and multilateral sources.

Headline inflation represented by CPI averaged 28.8% during first half of the fiscal year compared to 25% in the corresponding period last year. Inflation remained on the higher side as massive currency depreciation in the prior periods led to surge in food and energy prices. The government also hiked electricity base tariff and gas prices to comply with the IMF conditions, which led to further inflationary pressures. The SBP maintained status quo in the monetary policy held on December 12, 2023. The Committee assessed that the real interest rate continues to be positive on a 12-month forward-looking basis and inflation is expected to remain on a downward path.

The country's revised GDP growth recorded at -0.17% in FY23 with Agricultural and Services sector increasing by 2.3% and 0.1%, respectively, while industrial sector witnessed a drop of 3.8%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. GDP grew by 2.13% in the first quarter of the financial year 2023-24 as compared to 0.96% in the same period last year. Agriculture, Industry and Services sectors grew by 5.1%, 2.5% and 0.8% respectively. On the fiscal side, FBR tax collection increased by 30.3% in 1HFY24 to PKR 4,468 billion compared to PKR 3,428 billion in the same period last year, outpacing the target by PKR 43 billion.



## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

---

### **Equity Market Review**

Stock market witnessed exuberance in the first half of fiscal year 2024 as the benchmark KSE-100 increased by 50.7% or 20,998 points to close at 62,451 points. The bullish momentum was on account on improvement in macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the government's firm commitment to achieve the IMF targets as the government successfully completed IMF first review in November 2023. The strength of the local currency post crackdown on currency smuggling and hoarding, strong corporate profitability and market expectation of monetary easing in the second half of fiscal year all contributed to the sustainability the rally.

During 1HFY24, Foreign investors, Insurance, and Corporates were net buyers with an inflow of USD 71 million, USD 60.3 million and USD 52.4 million, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 92.4 million and USD 51.0 million, respectively. During the half, average trading volumes for KSE-100 Index saw an increase of 194% to 244 million shares compared to about 89 million shares during the preceding half. Similarly, the average trading value during the quarter saw a rise of 119% over the last half to near USD 39 million.

Banking, E&P and Power sector were the major contributors to the index gain adding 6,584/2,675/2,232 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's 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 55.60% as compared to benchmark return of 48.03%. Overall equity exposure of the fund stood at 95.9% 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 December 31, 2023 stood at Rs. 3,364 million as compared to Rs. 2,479 million as at June 30, 2023 registering an increase of 35.70%.

The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 14.02 as compared to opening NAV of Rs. 9.01 per unit as at June 30, 2023 registering an increase of Rs. 5.01 per unit.

### **Economy & Market – Future Outlook**

Pakistan GDP is expected to rebound to 3.4% in FY24 after a dismal performance last year. The industrial and services sector are 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



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

---

affected agriculture output. The arrivals of crops have been encouraging with cotton arrival increasing to 8.2 million bales in 1H FY24 compared to 4.9 million bales in FY23.

Successful resumption of the 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 10.1 billion 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 3.1 billion (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. The remittances and export proceeds have also recovered, which will help in stabilizing the currency. 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 around PKR 306 at an ending REER of 95.

We expect average FY24 inflation to ease to 24.8% 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 to 19.0% by June 2024. 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 June 2024, however, its pace and timing would be determined by trend in FX reserves.

Risks to recovery also continue to remain high as the cushion in Forex reserves continues to remain low and remain dependent of continued need for rollovers on bilateral loans and support from multilateral institutions. Country desperately needs political stability for focus on steering economy through focus on long term policies. Post elections, winning the support of IMF in the form of another program would be one of biggest challenge for incumbent government requiring tough measures to address long term vulnerabilities. Conflict in Middle East, tensions on Palestinian and potential threat of a wider conflict continue to remain high.

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 9.5%, a discount of 51% from its historical average of 19.3%. Similarly, Earning Yield minus Risk Free Rate is close to 8.7%, compared to the historical average of 3.0% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies, which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 4.2x, while offering a dividend yield of 10.6%.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

---

---

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. Investors with a mid to long term view can benefit from Bond and Income Funds where higher duration will create opportunities for capital gains in the wake of Interest rate outlook. 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 near term.

**ACKNOWLEDGMENT**

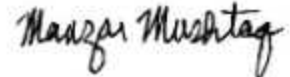
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



---

**Khawaja Khalil Shah**  
Chief Executive Officer  
February 02, 2024



---

**Manzar Mushtaq**  
Director  
February 02, 2024



## ڈائریکٹرز رپورٹ

مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.2x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ آمدنی 10.6 فیصد ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ وسط سے طویل مدتی نقطہ نظر کے حامل سرمایہ کار بانڈ اور انکم فنڈ سے فائدہ اٹھا سکتے ہیں جہاں زیادہ مدت سود کی شرح کے نقطہ نظر کے تناظر میں سرمایہ حاصل کرنے کے مواقع موجود ہیں۔ ہم ڈیٹا پوائنٹس کی نگرانی اور پُرکَشش 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۔

### اظہار 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 خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز



Manzoor Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2024ء

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2024ء

اے ڈی) متوقع طور پر 3.1 بلین ڈالر (جی ڈی پی کا 0.9 فیصد) ہوگا کیونکہ حصول استحکام کی پالیسی ممکنہ طور پر ایم ایف کی چھتری تلے جاری رہے گی۔

ڈالر کی غیر قانونی درآمد اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ ترسیلات زر اور برآمداتی آمدنیاں بھی بحال ہوئی ہیں جس کی بدولت روپے کی قدر کو پائیدار بنانے میں مدد ملے گی۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیرالچہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر اروپہ مالی سال کے اختتام پر تقریباً 306 ہوگا اور اختتامی 95 REER ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.8 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 کیونکہ ہیڈ لائن عدد ماہ جون 2024ء تک تیزی سے گر کر 19.0 فیصد ہو جائے 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۔ ماہ جون 2024ء تک مجموعی طور پر تقریباً 4.0 فیصد مجموعی کمی متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

وصولی کو لاحق خطرات بھی بدستور بلند رہیں کیونکہ غیر ملکی زرمبادلہ (فاریکس) کے ذخائر میں موجود cushion بدستور کم اور وجہتی قرضوں اور کثیرالچہتی اداروں سے معاونت پر منحصر ہے۔ ملک میں سیاسی استحکام کی اشد ضرورت ہے تاکہ طویل المیعاد پالیسیوں پر توجہ مرکوز کر کے معیشت کو ترقی کی راہ پر گامزن کیا جاسکے۔ انتخابات کے بعد آئی ایم ایف سے ایک اور پروگرام کی صورت میں معاونت کا حصول برسر اقتدار حکومت کے لیے سب سے بڑا چیلنج ہوگا کیونکہ طویل المیعاد خطرات پر توجہ دینے کے لیے سخت اقدامات کی ضرورت ہوگی۔ مشرق وسطیٰ میں تنازعہ، فلسطین میں جنگ، اور وسیع تر تصادم کا خطرہ بدستور بلند ہے۔

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 9.5 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.3 فیصد سے 51 فیصد کمی ہے۔ اسی طرح Earning Yield مائنس محفوظ شرح 8.7 فیصد کے قریب ہے، جس کا 3.0 فیصد کے 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 کار آمد بنانے میں

## فنڈ کی کارکردگی

دورانِ مدت فنڈ کا منافع 55.60 فیصد تھا، بالمقابل مقررہ معیار 48.03 فیصد کے۔ اختتامِ مدت پر ایکویٹی میں مجموعی سرمایہ کاری 95.9 فیصد کی سطح پر تھی۔ فنڈ نے اپنی سرمایہ کاری کے لائحہ عمل میں متعدد بار ترمیم کی تاکہ سیکٹرز اور کمپنی کی سطح پر ہونے والی مختلف ترقیاتی تبدیلیوں کے شانہ بشانہ ہوا جاسکے۔ دورانِ مدت فنڈ کی زیادہ تر سرمایہ کاریاں سیمنٹ، تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں میں تھیں۔

31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 3,364 ملین روپے تھے، جو 30 جون 2023ء کو 2,479 ملین روپے کے مقابلے میں 35.70 فیصد اضافہ ہے۔

31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 14.02 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 9.01 روپے فی یونٹ کے مقابلے میں 5.01 روپے فی یونٹ اضافہ ہے۔

## معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس ٹکن کارکردگی کے بعد مالی سال 2024ء میں 3.4 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 کی فصل مالی سال 2024ء کی پہلی ششماہی میں بڑھ کر 8.2 ملین گانٹھیں ہوگی، بالمقابل مالی سال 2023ء میں 4.9 ملین گانٹھوں کے۔

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۔ دوست ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بنیاد پر اسٹیٹ بینک آف پاکستان کے ذخائر متوقع طور پر بڑھ کر 10.1 بلین ڈالر ہو جائیں گے۔ تاہم ہماری خارجی صورت حال تاحال بے یقینی کا شکار ہے کیونکہ مشکل عالمی حالات کے باعث ہم متوقع طور پر بین الاقوامی یورو بانڈ اور سٹاک جاری نہیں کر سکیں گے۔ غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور آر ڈی اے 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



## ڈائریکٹرز رپورٹ

نظر ثانی شدہ مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی مالی سال 2024ء میں 0.17- فیصد ریکارڈ ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں پالترتیب 2.3 فیصد اور 0.1 فیصد ترقی ہوئی جبکہ صنعت کے شعبے میں 3.8 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۔ مالی سال 2023-24ء کی پہلی سہ ماہی میں جی ڈی پی میں 2.13 فیصد اضافہ ہوا، بالمقابل گزشتہ سال مماثل مدت میں 0.96 فیصد کے۔ زراعت، صنعت اور خدمات کے شعبوں میں پالترتیب 5.1 فیصد، 2.5 فیصد اور 0.8 فیصد ترقی ہوئی۔ مالیاتی جہت میں دیکھا جائے تو ایف بی آر ٹیکس وصولی مالی سال 2024ء کی پہلی ششماہی میں 30.3 فیصد بڑھ کر 4,468 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 3,428 بلین روپے کے، چنانچہ ہدف سے 43 بلین روپے زیادہ ٹیکس وصولی ہوئی۔

### ایکویٹی مارکیٹ کا جائزہ

مالی سال 2024ء کی پہلی ششماہی میں اسٹاک مارکیٹ میں جوش و خروش دیکھا گیا کیونکہ KSE-100 انڈیکس 50.7 فیصد یعنی 20,998 پوائنٹس بڑھ کر 62,451 پوائنٹس پر بند ہوا۔ ترقی کے اس رجحان کی وجہ مجموعی معاشی عوامل میں بہتری تھی جو پاکستان کے آئی ایم ایف کے نئے پروگرام میں داخل ہونے کے بعد ممکن ہوئی۔ مارکیٹ کے شرکاء نے بھی حکومت کے آئی ایم ایف اہداف پورے کرنے کے مضبوط عزم کا خیر مقدم کیا اور حکومت نے نومبر 2023ء میں آئی ایم ایف کا پہلا جائزہ مکمل کر لیا۔ مالی سال کے نصف آخر میں کرنسی کی غیر قانونی درآمد اور ذخیرہ اندوزی کے خلاف کارروائی، کارپوریٹ شعبے کی بھرپور قابلیت منافع، اور مارکیٹ کی مالیاتی تسہیل کی توقع کے نتیجے میں روپے کی قدر میں پائیداری آئی۔

مالی سال 2024ء کی پہلی ششماہی میں غیر ملکی سرمایہ کار، بیمہ کمپنیاں اور کارپوریٹ ادارے net خریدار تھے جن کی بدولت پالترتیب 71 ملین ڈالر، 60.3 ملین ڈالر اور 52.4 ملین ڈالر کی آمد ہوئی، جبکہ سب سے زیادہ فروخت بینکوں اور میوچل فنڈز کی طرف سے ہوئی جو پالترتیب 92.4 ملین ڈالر اور 51.0 ملین ڈالر تھی۔ دوران ششماہی KSE-100 کے لیے اوسط کاروباری حجم گزشتہ ششماہی میں تقریباً 89 ملین حصص کے مقابلے میں 194 فیصد بڑھ کر 244 ملین حصص ہو گئے۔ اسی طرح، اوسط کاروباری قدر گزشتہ سہ ماہی کے مقابلے میں 119 فیصد بڑھ کر 39 ملین ڈالر ہو گئی۔

انڈیکس کی بڑھوتری کے اہم ترین عوامل بینکاری، ای اینڈ پی یعنی (تیل اور گیس کی) دریافت اور پیداوار کے شعبے اور پاور سیکٹر (بجلی اور گیس کا شعبہ) تھے جنہوں نے پالترتیب 6,584، 2,675 اور 2,232 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخل ہونے کی بدولت مقامی قرض کی تشیل نوکا 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 ای اینڈ پی نے گیس کا گروڈی قرض ختم ہو جانے کی خبر کی بدولت ترقی کی راہیں طے کیں جس سے اس شعبے میں نقد کی آمدورفت میں بہتری آئے گی۔

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک اسٹاک فنڈ کے اکاؤنٹس برائے ششماہی مُختتمہ 31 دسمبر 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال کی پہلی ششماہی کے اختتام پر پاکستان کے مجموعی معاشی عوامل کی صورتحال آغاز سال کے مقابلے میں کافی بہتر تھی۔ حکومت نے جون 2023ء میں آئی ایم ایف سے 3 بلین ڈالر کا اسٹینڈ بائی ارینجمنٹ (ایس بی اے) حاصل کر لیا جس میں سے 1.2 بلین ڈالر فوری طور پر جاری کر دیئے گئے۔ اس پیش رفت کے بعد دوست ممالک سے اضافی آمدات اور بروقت rollovers عمل میں آئے جس کے نتیجے میں خارجی سطح پر بہتر امکانات کی بدولت Fitch کی جاری کردہ پاکستان کی خود مختار درجہ بندی -CCC سے CCC کر دی گئی۔

نئی نگران حکومت نے روپے پر قیاس آرائی کے دباؤ کا سامنا کرنے کے بعد ستمبر 2023ء میں ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے غلط استعمال کے خلاف فیصلہ کن اقدام اٹھائے جن کی بدولت زرمبادلہ کی شرح میں تیزی سے بہتری آئی اور اوپن مارکیٹ اور انٹرنیٹ شرح کے فرق میں کمی ہوئی۔ اس کے نتیجے میں ترسیلات زرا اور برآمدات سے ہونے والی آمدنی میں بہتری آئی اور دسمبر کے اختتام پر روپے کی قدر ڈالر کے مقابلے میں 307 سے کم ہو کر 281.9 ہو گئی۔

مالی سال 2024ء کی پہلی ششماہی میں ملکہ کارنٹ اکاؤنٹ کا خسارہ (سے اے ڈی) 0.8 بلین ڈالر تھا، جو گزشتہ سال کی مماثل مدت میں 3.6 بلین ڈالر کے مقابلے میں 77 فیصد سال در سال (YoY) کمی ہے۔ سی اے ڈی میں کمی میں اہم ترین کردار تجارتی خسارے میں کمی کا تھا کیونکہ برآمدات میں 7.5 فیصد اضافے اور درآمدات میں 14.7 فیصد کمی کے نتیجے میں تجارتی خسارہ 35.2 فیصد سُکڑ گیا۔ ایس بی پی کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے اختتام پر 4.4 بلین ڈالر سے بڑھ کر دسمبر 2023ء تک 8.2 بلین ڈالر ہو گئے، جس کے نتیجے میں ملکہ کی خارجی صورتحال بہتر ہو گئی۔ یہ آئی ایم ایف، دوست ممالک اور کثیر الجہتی ذرائع سے آمدات کی بدولت ممکن ہوا۔

ہیڈ لائن مہنگائی، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط مالی سال 2024ء کی پہلی ششماہی کے دوران 28.8 فیصد تھا، جبکہ گزشتہ سال مماثل مدت میں 25 فیصد تھا۔ مہنگائی بلند سطح پر رہی کیونکہ گزشتہ مدتوں میں روپے کی قدر میں خطیر کمی کے نتیجے میں اشیائے خورد و نوش اور توانائی کی قیمتوں میں اضافہ ہوا۔ حکومت نے آئی ایم ایف کی شرائط پوری کرنے کے لیے بجلی کی بنیادی قیمت اور گیس کی قیمتوں میں اضافہ کیا جس کے نتیجے میں مہنگائی کا دباؤ مزید بڑھا۔ ایس بی پی نے 12 دسمبر 2023ء کو منعقدہ مانیٹری پالیسی میں جمود کو بنیادی طور پر برقرار رکھا۔ کمیٹی نے اندازہ لگایا کہ سود کی حقیقی شرح اگلے 12 ماہ کے امکانات کی بنیاد پر مثبت رہے گی اور مہنگائی میں کمی کا رجحان برقرار رہے گا۔

# TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

**Head Office:**

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



## TRUSTEE REPORT TO THE UNIT HOLDERS

### ALHAMRA ISLAMIC STOCK FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alhamra Islamic Stock Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

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

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

Karachi: February 21, 2024





# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



A.F. FERGUSON & CO.

## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alhamra Islamic Stock Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 16, 2023 and September 22, 2023 respectively.

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Junaid Mesia**  
Dated: February 26, 2024  
Karachi  
UDIN: RR202310611zo8k0NXpP

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

\*KARACHI \*LAHORE \*ISLAMABAD

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
<b>ASSETS</b>			
Bank balances	5	102,517	120,136
Investments	6	3,262,558	2,398,010
Receivable against sale of investments		31,424	21,150
Profit receivable		2,409	737
Advances, deposits and other receivables		4,689	3,664
<b>Total assets</b>		<b>3,403,597</b>	<b>2,543,697</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	7	12,883	13,369
Payable to Central Depository Company of Pakistan Limited - Trustee	8	433	324
Payable to the Securities and Exchange Commission of Pakistan	9	283	517
Payable against purchase of investments		-	24,401
Accrued expenses and other liabilities	10	26,251	25,758
<b>Total liabilities</b>		<b>39,850</b>	<b>64,369</b>
<b>NET ASSETS</b>		<b>3,363,747</b>	<b>2,479,328</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>3,363,747</b>	<b>2,479,328</b>
<b>Contingencies and commitments</b>	11		
		---- (Number of units) ----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>239,843,895</b>	<b>275,081,665</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>14.02</b>	<b>9.01</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

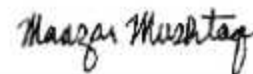
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
<b>INCOME</b>					
Profit on bank deposits		4,372	8,824	2,868	3,817
Dividend income		100,402	65,757	70,773	42,004
Gain / (loss) on sale of investments - net		411,462	14,705	359,729	(9,790)
Net unrealised appreciation / (diminution) on revaluation of investments classified as financial assets 'at fair value through profit or loss'	6.2	861,369	(126,932)	717,815	(95,423)
<b>Total income / (loss)</b>		<b>1,377,605</b>	<b>(37,646)</b>	<b>1,151,185</b>	<b>(59,392)</b>
<b>EXPENSES</b>					
Remuneration of MCB Investment Management Limited - Management Company	7.1	38,470	25,392	24,520	13,195
Sindh Sales Tax on remuneration of the Management Company	7.2	5,001	3,301	3,188	1,715
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8	1,977	1,773	1,045	911
Sindh Sales Tax on remuneration of the Trustee		257	231	136	119
Fee of the Securities and Exchange Commission of Pakistan	9	1,401	255	754	133
Allocated expenses	7.3	1,895	1,270	568	660
Selling and marketing expenses	7.4	10,043	16,505	2,225	8,577
Auditors' remuneration		439	418	245	306
Securities transaction cost		6,799	4,940	4,401	2,706
Settlement and bank charges		465	568	108	292
Legal and professional charges		93	81	14	13
Shariah advisory fee		287	363	136	181
Printing and related charges		50	14	25	(861)
Donation / charity		2,709	2,395	2,447	2,364
Fees and subscriptions		-	14	-	7
<b>Total expenses</b>		<b>69,886</b>	<b>57,520</b>	<b>39,812</b>	<b>30,318</b>
<b>Net income / (loss) for the period before taxation</b>		<b>1,307,719</b>	<b>(95,166)</b>	<b>1,111,373</b>	<b>(89,710)</b>
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>1,307,719</b>	<b>(95,166)</b>	<b>1,111,373</b>	<b>(89,710)</b>
<b>Allocation of net income for the period after taxation</b>					
Net income for the period		1,307,719	-		
Income already paid on units redeemed		(184,800)	-		
		<b>1,122,919</b>	<b>-</b>		
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		1,094,648	-		
- Excluding capital gains		28,271	-		
		<b>1,122,919</b>	<b>-</b>		
<b>Earnings per unit</b>	13				

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

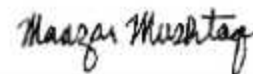
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Half year ended		Quarter ended	
	December 31, 2023	2022	December 31, 2023	2022
	(Rupees in '000)			
<b>Net income / (loss) for the period</b>	1,307,719	(95,166)	1,111,373	(89,710)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>1,307,719</u>	<u>(95,166)</u>	<u>1,111,373</u>	<u>(89,710)</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	3,132,247	(652,919)	2,479,328	3,063,112	(632,769)	2,430,343
Issuance of 93,362,943 (2022: 142,722,730) units:						
- Capital value (at net asset value per unit at the beginning of the period)	841,200	-	841,200	1,298,777	-	1,298,777
- Element of income / (loss)	252,175	-	252,175	(3,855)	-	(3,855)
	1,093,375	-	1,093,375	1,294,922	-	1,294,922
Redemption of 128,600,713 (2022: 104,703,651) units:						
- Capital value (at net asset value per unit at the beginning of the period)	(1,158,692)	-	(1,158,692)	(952,803)	-	(952,803)
- Element of income	(173,183)	(184,800)	(357,983)	(3,886)	-	(3,886)
	(1,331,875)	(184,800)	(1,516,675)	(956,689)	-	(956,689)
Total comprehensive income / (loss) for the period	-	1,307,719	1,307,719	-	(95,166)	(95,166)
<b>Net assets as at the end of the period</b>	<u>2,893,747</u>	<u>470,000</u>	<u>3,363,747</u>	<u>3,401,345</u>	<u>(727,935)</u>	<u>2,673,410</u>
<b>Accumulated loss brought forward comprising of:</b>						
- Realised		(556,655)			(211,325)	
- Unrealised		(96,264)			(421,444)	
		(652,919)			(632,769)	
Accounting income available for distribution:						
- Relating to capital gains		1,094,648			-	
- Excluding capital gains		28,271			-	
		1,122,919			-	
Net loss for the period after taxation		-			(95,166)	
Undistributed income / accumulated (loss) carried forward		<u>470,000</u>			<u>(727,935)</u>	
<b>Undistributed income / (accumulated loss) carried forward comprising of:</b>						
- Realised		(391,369)			(601,003)	
- Unrealised		861,369			(126,932)	
		<u>470,000</u>			<u>(727,935)</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit as at beginning of the period	<u>9.01</u>			<u>9.10</u>		
Net asset value per unit as at end of the period	<u>14.02</u>			<u>8.76</u>		

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

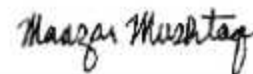
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	Half year ended	
		December 31,	
		2023	2022
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period before taxation		1,307,719	(95,166)
<b>Adjustments for non cash and other items:</b>			
Profit on bank deposits		(4,372)	(8,824)
Dividend income		(100,402)	(65,757)
Net unrealised (appreciation) / diminution on revaluation of investments classified as financial assets 'at fair value through profit or loss'	6.2	(861,369)	126,932
		341,576	(42,815)
<b>(Increase) / decrease in assets</b>			
Investments - net		(3,179)	(370,385)
Receivable against sale of investments		(10,274)	28,607
Advances, deposits and other receivable		(1,024)	323
		(14,477)	(341,455)
<b>(Decrease) / increase in liabilities</b>			
Payable to MCB Investment Management Limited - Management Company		(486)	45
Payable to Central Depository Company of Pakistan Limited - Trustee		109	14
Payable to the Securities and Exchange Commission of Pakistan		(234)	(383)
Payable against purchase of investments		(24,401)	79,590
Accrued expenses and other liabilities		493	43,629
		(24,519)	122,895
Profit received on balances with bank		2,699	10,465
Dividend received		100,402	65,757
<b>Net cash generated from / (used in) operating activities</b>		405,681	(185,153)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received on issuance of units		1,093,375	1,294,922
Amount paid on redemption of units		(1,516,675)	(956,689)
<b>Net cash (used in) / generated from financing activities</b>		(423,300)	338,233
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		(17,619)	153,080
Cash and cash equivalents at the beginning of the period		120,136	141,898
<b>Cash and cash equivalents at the end of the period</b>	15	102,517	294,978

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For MCB Investment Management 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 HALF YEAR ENDED DECEMBER 31, 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Stock Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited (now: MCB Investment Management Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated May 13, 2004 consequent to which Trust Deed was executed on May 26, 2004 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.2 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 Management Company and AHCL no longer holds any shares in the Management Company. Consequently, members of the Management Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Management Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Management 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.
- 1.3 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.
- 1.4 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 provide a high absolute return by investing in equity and debt securities. Units are transferable and can be redeemed by surrendering to the Fund. The Fund has been categorised as "Shariah Compliant Islamic Equity Scheme" by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 06, 2023 (June 30, 2023: 'AM1' dated October 6, 2022) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 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 PRESENTATION

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

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

These 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with part VIIIA of the repealed Companies ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the 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 HALF YEAR ENDED DECEMBER 31, 2023

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34 'Interim Financial Reporting', the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited, based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

4.1 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.

4.2 The preparation of these 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 these 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 Fund for the year ended June 30, 2023.

#### 4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
<b>5 BANK BALANCES</b>			
In current accounts	5.1	10,483	23,170
In savings accounts	5.2	92,034	96,966
		102,517	120,136

5.1 These include a balance of Rs. 3.001 (June 30, 2023: Rs. 10.852) million maintained with MCB Bank Limited, a related party.

5.2 These carry profit at the rates ranging from 18.50% to 20.90% (June 30, 2023: 11.43% to 20.25%) per annum. These include a balance of Rs. 17.077 million (June 30, 2023: Rs. 82.548 million) maintained with MCB Islamic Bank Limited, a related party.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

6	INVESTMENTS	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	<b>At fair value through profit or loss</b>			
	Listed equity securities	6.1	3,262,558	2,398,010

**6.1 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	Note	As at July 1, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Percentage in relation to paid-up capital of the investee company
							Carrying Value	Market value	Unrealised appreciation / (diminution)			
						No. of shares	(Rupees in '000)			(%)		
<b>Automobile Assembler</b>												
Pak Suzuki Motor Company Limited	-	120,000	-	64,500	55,500	14,017	30,989	16,972	0.92	0.95	0.07	
						14,017	30,989	16,972	0.92	0.95		
<b>Automobile parts and accessories</b>												
Thal Limited *	19,000	-	-	19,000	-	-	-	-	-	-	-	
<b>Cable and electrical goods</b>												
Pak Elaktron Limited	750,000	590,000	-	1,340,000	-	-	-	-	-	-	-	
<b>Cement</b>												
Cheral Cement Company Limited	462,284	148,525	-	610,789	-	-	-	-	-	-	-	
D.G. Khan Cement Company Limited ***	1,500,000	715,000	-	2,215,000	-	-	-	-	-	-	-	
Fauji Cement Company Limited	17,250,000	1,355,000	-	7,065,000	11,540,000	136,425	218,337	81,912	6.49	6.69	0.47	
Gharibwal Cement Limited	600,000	-	-	600,000	-	-	-	-	-	-	-	
Kohat Cement Company Limited	250,000	-	-	250,000	-	-	-	-	-	-	-	
Lucky Cement Limited ***	320,000	282,872	-	127,000	475,872	284,206	374,502	90,296	11.13	11.48	0.16	
Maple Leaf Cement Factory Limited	5,300,000	3,476,000	-	2,976,000	5,800,000	177,316	225,736	48,420	6.71	6.92	0.54	
Pioneer Cement Limited	150,000	150,000	-	150,000	150,000	17,807	17,241	(566)	0.51	0.53	0.07	
						615,754	835,816	220,062	24.84	25.62		
<b>Chemical</b>												
Dynesa Pakistan Limited *	88,600	-	-	-	88,600	11,164	16,409	5,245	0.49	0.50	0.47	
Lucky Core Industries Limited	-	45,325	-	-	45,325	30,630	35,290	4,660	1.05	1.08	0.05	
						41,794	51,699	9,905	1.54	1.58		
<b>Commercial banks</b>												
Faysal Bank Limited	3,000,000	1,685,247	-	200,000	4,485,247	104,197	146,129	41,932	4.34	4.48	0.30	
Meezan Bank Limited	1,711,189	740,000	-	561,189	1,890,000	191,234	304,970	113,736	9.07	9.35	0.11	
						295,431	451,099	155,668	13.41	13.83		
<b>Engineering</b>												
Aisha Steel Mills Limited	2,000,000	-	-	2,000,000	-	-	-	-	-	-	-	
International Steels Limited ***	-	870,444	-	187,444	683,000	32,449	49,873	17,424	1.48	1.53	0.16	
Mughal Iron & Steel Industries Limited	1,300,000	899,248	-	400,000	1,799,248	97,504	119,074	21,570	3.54	3.65	0.54	
						129,953	168,947	38,994	5.02	5.18		
<b>Fertilizer</b>												
Engro Corporation Limited	515,000	-	-	515,000	-	-	-	-	-	-	-	
Engro Fertilizer Limited	900,000	-	-	900,000	-	-	-	-	-	-	-	
Fauji Fertilizer Bin Qasim Limited	2,568,000	2,784,000	-	4,080,000	1,270,000	18,591	40,513	21,922	1.20	1.24	0.10	
						18,591	40,513	21,922	1.20	1.24		
<b>Food and personal care products</b>												
Al-Tahur Limited	1,000,012	-	-	1,000,012	-	-	-	-	-	-	-	
National Foods Limited *	380,000	2,500	-	30,000	352,500	34,778	51,113	16,335	1.52	1.57	0.15	
The Organic Meats Company Limited	1,500,375	-	-	1,500,375	-	-	-	-	-	-	-	
						34,778	51,113	16,335	1.52	1.57		
<b>Glass and ceramics</b>												
Shabbir Tiles & Ceramics Limited *	1,100,000	2,300,000	-	-	3,400,000	41,289	48,450	7,161	1.44	1.49	1.42	
Tariq Glass Industries **	-	130,747	-	-	130,747	11,373	13,038	1,665	0.39	0.40	0.08	
						52,662	61,488	8,826	1.83	1.89		
<b>Balance carried forward</b>						1,202,980	1,691,664	488,684				



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

3

Name of the investee company	Notes	As at July 01, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Percentage in relation to paid-up capital of the investee company
							Carrying Value	Market value	Unrealised appreciation / (diminution)			
						No. of shares	Rupees in '000			%		
<b>Balance brought forward</b>							1,202,980	1,691,664	488,684			
<b>Miscellaneous</b>												
Pakistan Aluminium Beverage Cans Limited **		-	125,000	-	-	125,000	8,241	9,446	1,205	0.28	0.29	0.03
Shifa International Hospitals Limited		309,930	64,600	-	39,100	335,430	41,187	47,051	5,864	1.40	1.44	0.53
Synthetic Products Enterprises Limited * & **		700,000	77,000	-	-	777,000	8,278	10,373	2,095	0.31	0.32	0.39
							57,706	66,870	9,164	1.99	2.05	
<b>Oil and gas exploration companies</b>												
Mari Petroleum Company Limited		97,500	58,500	-	88,000	68,000	110,859	142,535	31,676	4.24	4.37	0.05
Oil and Gas Development Company Limited	6.1.1	1,800,000	950,000	-	1,328,000	1,422,000	136,713	159,904	23,191	4.75	4.90	0.03
Pakistan Petroleum Limited		1,400,000	2,390,000	-	2,120,000	1,670,000	131,279	192,100	60,821	5.71	5.89	0.06
							378,851	494,539	115,688	14.70	15.16	
<b>Oil and gas marketing companies</b>												
Attock Petroleum Limited		-	55,676	-	55,676	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited		600,000	-	-	130,000	470,000	18,504	34,554	16,050	1.03	1.06	0.07
							18,504	34,554	16,050	1.03	1.06	
<b>Paper and Board</b>												
Century Paper & Board Mills Limited		450,000	50,000	-	500,000	-	-	-	-	-	-	-
Packages Limited		60,000	105,461	-	-	165,461	67,984	87,709	19,725	2.61	2.69	0.19
							67,984	87,709	19,725	2.61	2.69	
<b>Pharmaceuticals</b>												
AGP Limited		-	520,000	-	-	520,000	36,595	36,561	(34)	1.09	1.12	0.19
Citi Pharma Limited		1,207,589	773,911	-	359,000	1,622,500	36,022	38,518	2,496	1.15	1.18	0.71
Ferozsons Laboratories Limited		100,000	-	-	-	100,000	13,685	22,064	8,379	0.66	0.68	0.23
Haleon Pakistan Limited		270,000	89,200	-	-	359,200	53,101	60,708	7,607	1.80	1.86	0.31
Highnoon Laboratories Limited		138,748	20,000	-	22,100	136,648	47,260	68,947	21,687	2.05	2.11	0.26
							186,663	226,798	40,135	6.75	6.95	
<b>Power generation and distribution</b>												
Hub Power Company Limited	6.1.1	1,520,000	1,285,198	-	545,198	2,260,000	172,040	264,623	92,583	7.87	8.11	0.17
Nishal Chunian Power Limited		-	900,000	-	-	900,000	25,646	25,173	(473)	0.75	0.77	0.24
							197,686	289,796	92,110	8.62	8.88	
<b>Refinery</b>												
Attock Refinery Limited		-	250,388	-	152,388	98,000	24,187	32,092	7,905	0.95	0.98	0.09
							24,187	32,092	7,905	0.95	0.98	
<b>Technology and communication</b>												
Systems Limited		367,500	137,000	-	224,500	280,000	121,462	118,597	(2,865)	3.53	3.64	0.10
							121,462	118,597	(2,865)	3.53	3.64	
<b>Textile composite</b>												
Interloop Limited		2,250,000	683,267	-	859,267	2,074,000	76,512	149,328	72,816	4.44	4.58	0.15
Kohinoor Textile Mills Limited **		1,200,300	-	-	1,200,000	300	17	29	12	-	-	-
Nishal Chunian Limited		1,200,000	-	-	1,200,000	-	-	-	-	-	-	-
Nishal Mills Limited ***		450,000	1,120,000	-	650,000	920,000	68,637	70,582	1,945	2.10	2.16	0.26
							145,166	219,939	74,773	6.54	6.74	
<b>Transport</b>												
Pakistan International Bulk Terminal Limited		-	1,750,000	-	1,750,000	-	-	-	-	-	-	-
							-	-	-	-	-	
<b>Total as at December 31, 2023 (Un-audited)</b>							<u>2,401,189</u>	<u>3,262,558</u>	<u>861,369</u>			
<b>Total as at June 30, 2023 (Audited)</b>							<u>2,494,273</u>	<u>2,398,010</u>	<u>(96,264)</u>			

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

\*\* Nil figures due to rounding off

\*\*\* These represent transactions in shares of related parties

**6.1.1** 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).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	December 31, 2023 (Un-audited) ---- (Number of shares) ----	June 30, 2023 (Audited)	December 31, 2023 (Un-audited) ---- (Rupees in '000) ----	June 30, 2023 (Audited)
Hub Power Company Limited	500,000	500,000	58,545	34,790
Oil and Gas Development Company Limited	700,000	700,000	78,715	54,600
	<u>1,200,000</u>	<u>1,200,000</u>	<u>137,260</u>	<u>89,390</u>

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

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh had issued notices to the relevant parties and had ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the Management is confident that the decision of the constitutional petition will be in favour of the CISs. During the year ended June 30, 2020, the fund has reclassified the amount of these shares from "investments" to "advances, deposits and other receivables" based on the market value of these shares on November 13, 2020.

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

As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.03 million (June 30, 2023: Rs. 0.03 million).

	Note	December 31, 2023 (Un-audited) ---- (Rupees in '000) ----	December 31, 2022 (Un-audited)
<b>6.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'</b>			
Market value of investments	6.1	3,262,558	2,550,329
Less: Carrying value of investments	6.1	<u>(2,401,189)</u>	<u>(2,677,261)</u>
		<u>861,369</u>	<u>(126,932)</u>
	Note	December 31, 2023 (Un-audited) ---- (Rupees in '000) ----	June 30, 2023 (Audited)
<b>7 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	7.1	8,817	4,102
Sindh Sales Tax payable on remuneration	7.2	1,146	533
Sales load payable		360	-
Payable against allocated expenses	7.3	298	205
Selling and marketing expenses payable	7.4	2,224	8,479
Shariah advisory fee payable		38	50
		<u>12,883</u>	<u>13,369</u>



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 2.00% to 3.4% (December 31, 2022: 2%) per annum of the average annual net assets calculated on a daily basis of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

7.2 Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2023: 13%).

7.3 In accordance with NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

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

The Management Company has charged selling and marketing expenses to the fund based on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

**8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

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

Tariff applicable	
Net Assets (Rs.)	Fee
- Up to Rs. 1,000 million	0.20% per annum of net assets
- Amount exceeding Rs. 1,000 million	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

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

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.095% of net assets, applicable on "Shariah Compliant Islamic Equity Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP Fee at the rate of 0.095% of net assets during the current period.

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2023 (Un-audited)	2023 (Audited)
		----- (Rupees in '000) -----	
Provision for Federal Excise Duty and related tax payable on:	10.1		
- Remuneration of the Management Company		5,689	5,689
- Sales load		125	125
Unclaimed dividends		12,236	12,236
Brokerage payable		1,846	519
Auditors' remuneration payable		502	591
Withholding tax payable		2,228	179
Printing and related charges payable		90	40
Payable to legal advisor		48	39
Charity payable		2,709	5,735
Other payables		778	605
		<u>26,251</u>	<u>25,758</u>



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

**10.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company, sales load and related taxes with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 5.81 million (June 30, 2023: Rs. 5.81 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2023 would have been higher by Re 0.02 per unit (June 30, 2023: Re 0.02 per unit).

**11 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

**12 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 the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

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

**13 EARNINGS PER UNIT**

Earnings 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.

**14 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period results is 4.72% (December 31, 2022: 4.52%) which includes 0.49% (December 31, 2022: 0.30%) representing Government Levy and SECP Fee. The prescribed limit for the ratio is 4.5% (December 31, 2022: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant Islamic Equity Scheme".

	<b>Note</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
		<b>(Un-audited)</b>	
		<b>----- (Rupees in '000) -----</b>	
<b>15 CASH AND CASH EQUIVALENTS</b>			
Bank balances	5	<u>102,517</u>	<u>294,978</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

**16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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, MCB Islamic Bank Limited (being 100% subsidiary of the Holding 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 of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

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

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

	December 31, 2023	December 31, 2022
	——(Un-audited)——	
	———— (Rupees in '000) ————	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	43,471	28,693
Shariah advisory fee	287	363
Selling and marketing expenses	10,043	16,505
Allocated expenses	1,895	1,270
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	2,234	2,004
Central Depository Service charges	203	79
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Bank charges	1	11
<b>MCB Islamic Bank Limited</b>		
Profit on bank balance	955	39
<b>D.G. Khan Cement Company Limited</b>		
Purchase 715,000 (2022: 646,000 ) shares	39,841	37,783
Sales of 2,215,000 (2022: 1,146,000) shares	154,347	61,622
Dividend income	-	600
<b>Nishat Mills Limited</b>		
Purchase 1,120,000 (2022: 583,020) shares	80,843	35,866
Sales of 650,000 (2022: 1,118,020) shares	39,995	73,621
Dividend Income	-	1,000
<b>International Steels Limited</b>		
Purchase 870,444 (2022: Nil) shares	41,355	-
Sales of 187,444 (2022: Nil) shares	13,525	-
Dividend Income	2,158	-



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

16.2 Amount outstanding as at period end / year end	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration payable	8,817	4,102
Sindh Sales Tax payable on remuneration of the Management Company	1,146	533
Sales load payable including related taxes	360	-
Shariah advisory fee payable	38	50
Payable against allocated expense	298	205
Payable against selling and marketing expenses	2,224	8,479
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	383	287
Sindh Sales Tax payable on remuneration	50	37
Security deposit	300	300
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Bank balance	3,001	10,852
<b>MCB Islamic Bank Limited</b>		
Bank balance	17,077	82,548
<b>D. G. Khan Cement Company Limited</b>		
Nil (June 30, 2023: 1,500,000) shares held	-	76,950
<b>Nishat Mills Limited</b>		
920,000 (June 30, 2023: 450,000) shares held	70,582	25,547
<b>International Steels Limited</b>		
683,000 (June 30, 2023: Nil) shares held	49,873	-
<b>16.3 Transactions during the period with related parties / connected persons in units of the Fund:</b>		

	For the half year ended December 31, 2023 (Un-audited)							
	As at July 01, 2023	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2023	As at July 01, 2023	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2023
	----- (Number of units) -----				----- (Rupees in '000) -----			
<b>MCB Investment Management Limited</b>								
- Management Company	-	10,046,750	10,046,750	-	100,000	121,177	-	
<b>Group / associated companies / undertakings</b>								
Nishat Mills Limited	1,121,410	-	-	1,121,410	10,104	-	-	15,722
D.G. Khan Cement Company Limited Employees								
Provident Fund Trust	462,336	-	462,336	0	4,166	-	-	0
Adamjee Life Assurance Company Limited - IMF	141,109,001	-	21,256,456	119,852,545	1,271,392	-	4,702	1,680,333
Adamjee Life Assurance Company Limited Amaanat Fund	9,109,298	-	2,166,352	6,942,946	82,075	-	273,500	97,340
Adamjee Life Assurance Company Limited - MAZAAF	25,907,727	-	3,465,529	22,442,198	233,429	-	27,000	314,640
Hyundai Nishat Motor (Private) Limited Employees								
Provident Fund	1,613,687	420,721	450,013	1,584,395	14,539	-	43,000	22,213
Mcbfsl Trustee Alhamra Smart Portfolio	2,905,771	-	697,312	2,208,459	26,181	4,500	5,450	30,963
<b>Directors And Key Management Personnel</b>	1,210,982	4,849,671	4,642,359	1,418,294	10,911	106,810	113,488	19,884
<b>Mandate under discretionary portfolio services</b>	17,248,544	7,587,570	10,801,691	14,034,423	155,409	293,083	179,567	196,763



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	For the half year ended December 31, 2022 (Un-audited)							
	(Number of units)				(Rupees in '000)			
	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2022	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2022
<b>MCB Investment Management Limited</b>								
- Management Company	1,911,887	-	1,911,887	-	17,398	-	18,086	-
<b>Group / associated companies / undertakings</b>								
Adamjee Insurance Company Limited - Amanal Fund	17,205,899	3,404,255	11,432,550	9,177,604	156,574	32,000	97,291	80,396
Adamjee Life Assurance Company Limited - IMF	72,848,990	85,506,718	-	158,355,708	662,927	766,545	-	1,387,196
Adamjee Insurance Company Limited - MAZAAF	41,547,236	-	13,935,340	27,611,896	378,080	-	125,000	241,880
D.G. Khan Cement Company Limited - Employees Provident Fund	462,336	-	-	462,336	4,207	-	-	4,050
Hyundai Nishal Motor (Private) Limited Employees Provident Fund	167,542	1,206,484	-	1,374,026	1,525	10,900	-	12,036
Nishal Mills Limited	1,121,411	-	-	1,121,411	10,205	-	-	9,824
Asghari Beg Memorial Trust	368,021	-	-	368,021	3,349	-	-	3,224
MCBFSL Trustee Alhamra Smart Portfolio Fund	3,869,444	147,975	976,093	3,041,326	35,212	1,303	9,042	26,642
<b>Directors And Key Management Personnel</b>	1,844,733	6,344,141	7,447,045	741,829	16,787	59,184	68,761	6,498
<b>Mandate under discretionary portfolio services</b>	5,042,907	17,330,105	8,189,386	14,183,626	45,891	157,074	76,299	124,249

**17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at 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.

**17.1 Fair value hierarchy**

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

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

The Fund held the following financial instruments measured at fair values:

	December 31, 2023 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>At fair value through profit or loss</b>				
Listed Equity Securities	3,262,558	-	-	3,262,558
	June 30, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>At fair value through profit or loss</b>				
Listed Equity Securities	2,398,010	-	-	2,398,010

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

---

---

During the period ended December 31, 2023 and year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 18 GENERAL

18.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

### 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 02, 2024.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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

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

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