



MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2023
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



ALHAMRA ISLAMIC ASSET ALLOCATION FUND

TABLE OF CONTENTS

1	Fund's Information	320
2	Report of the Directors of the Management Company	321
3	Trustee Report to the Unit Holders	331
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	332
5	Condensed Interim Statement of Assets And Liabilities	333
6	Condensed Interim Income Statement (Un-audited)	334
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	335
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	336
9	Condensed Interim Cash Flow Statement (Un-audited)	337
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	338

FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	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
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. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited 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 Ibrahim & Co. Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited 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 Asset Allocation 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 (1H FY24) 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 1H FY24 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 under review, the fund delivered a return of 48.5% as against its benchmark return of 45.97%.

On the equities front, the overall allocation was 89.0% 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 December 31, 2023 stood at Rs. 1,551 million as compared to Rs. 1,289 million as at June 30, 2022 registering an increase of 20.33%.

The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 94.8606 as compared to opening NAV of Rs. 65.3123 per unit as at June 30, 2023 registering a increase of Rs. 29.5483 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 affected agriculture output. The arrivals of crops have been encouraging with cotton arrival increasing to 8.2 million bales in 1HFY24 compared to 4.9 million bales in FY23.

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

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%.

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

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 34.1% during 1HFY24 to PKR 2,097bn. Total money market funds grew by about 15.8% since June 2023. Within the money market sphere, conventional funds showed a growth of 16.6% to PKR 551 billion while Islamic funds increased by 15.0% to PKR 493 billion. In addition, the total fixed Income funds increased by about 80.7% since Jun 2023 to PKR 667 billion while Equity and related funds increased by 33.0% to PKR 223 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 49.8%, followed by Income funds with 31.8% and Equity and Equity related funds having a share of 10.6% as at the end of December 2023.

Mutual Fund Industry Outlook

Both Bonds and Equities are likely to do well in the next year on the back of cut in interest rates. During the year, significant interest of investors is already visible in Income Funds while equity fund are likely to see inflows post elections and new IMF agreement. High interest rates during the period would encourage sustained flows in the money market funds as they are ideal for investors with a short-term horizon and low risk profile. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

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

آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

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 خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2024ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2024ء

ڈائریکٹرز رپورٹ

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 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 4.2x 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۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کی پہلی ششماہی کے دوران تقریباً 34.1 فیصد بڑھ کر 2,097 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 16.6 فیصد بڑھ کر 551 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 15.0 فیصد بڑھ کر 493 بلین روپے ہو گئے۔ مزید براں، فیکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 80.7 فیصد بڑھ کر 667 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 33.0 فیصد بڑھ کر 223 بلین روپے ہو گئے۔

شعبہ جاتی شراکت کے اعتبار سے دسمبر 2023ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 49.8 فیصد کے ساتھ سب سے آگے تھے، جبکہ انکم فنڈز 31.8 فیصد کے ساتھ دوسرے نمبر پر، اور ایکویٹی اور متعلقہ فنڈز 10.6 فیصد کے ساتھ تیسرے نمبر پر تھے۔

میوچل فنڈ صنعت کا نقطہ نظر

بانڈز اور ایکویٹیز، دونوں کا اگلے سال اچھی کارکردگی کا مظاہرہ کرنے کا امکان ہے کیونکہ سود کی شرحوں میں کمی ہوئی ہے۔ دوران سال انکم فنڈز میں سرمایہ کاروں کی قابل ذکر دلچسپی دیکھی گئی، جبکہ ایکویٹی فنڈز میں انتخابات اور نئے آئی ایم ایف معاہدے کے بعد آمدات متوقع ہیں۔ دوران مدت سود کی بلند شرحوں کی بدولت منی مارکیٹ فنڈز میں پائیدار آمد و رفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور

ڈائریکٹرز رپورٹ

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 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 روپیہ 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 دو جہتی 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

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 48.5 فیصد منافع حاصل کیا، بالمتقابل مقررہ معیار 45.97 فیصد کے۔
 زیر جائزہ مدت کے اختتام پر ایکویٹیز کی مد میں مجموعی سرمایہ کاری 89.0 فیصد تھی۔ دوران مدت فنڈ کی زیادہ تر سرمایہ کاری سیمنٹ، تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں میں تھی۔
 باقی فنڈ، جو 9.9 فیصد بنتا ہے، کی سرمایہ کاری نقد میں تھی۔
 31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 1,551 ملین روپے تھے، جو 30 جون 2023ء کو 1,289 ملین روپے کے مقابلے میں 20.33 فیصد اضافہ ہے۔
 31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 94.8606 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 65.3123 روپے فی یونٹ کے مقابلے میں 29.5483 روپے فی یونٹ اضافہ ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس ٹخن 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 ہوگئی، بالمتقابل 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 صورتحال تاحال بے یقینی کا شکار ہے کیونکہ مشکل عالمی حالات کے باعث ہم متوقع طور پر بین الاقوامی یورو بانڈ اور مسٹک 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

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 گروڈشی 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 الحراء اسلامک ایسیٹ ایلوکیشن فنڈ کے اکاؤنٹس برائے ششماہی مُختتمہ 31 دسمبر 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر 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 انٹربینک شرح کے فرق میں کمی ہوئی۔ اس کے نتیجے میں ترسیلات زر 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 کا کرنٹ 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 سکڑ 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 کثیرالجہتی 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 خلیہ 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 ASSET ALLOCATION 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 Asset Allocation 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



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF ALHAMRA ISLAMIC ASSET ALLOCATION FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Alhamra Islamic Asset Allocation Fund ("the Fund") as at December 31, 2023 and the related condensed interim income statement, the condensed interim statement of comprehensive income, the 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 "interim financial statements") for the half year then ended. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

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

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 22 FEB 2024

UDIN: RR202310166MLDBPyzH4


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

	December 31, 2023	June 30, 2023
Note	(Rupees in '000)	
ASSETS		
Balances with banks	4 154,648	187,605
Investments	5 1,395,084	1,113,544
Markup and other receivables	2,875	3,028
Advances, deposits and prepayments	3,906	3,906
Receivable against sale of investments	10,155	10,168
Total assets	1,566,667	1,318,251
LIABILITIES		
Payable to MCB Investment Management Limited- Management company	6 5,726	4,163
Payable to Central Depository Company of Pakistan Limited - Trustee	7 247	213
Payable to the Securities and Exchange Commission of Pakistan	8 127	302
Payable against purchase of investments	-	12,903
Accrued and other liabilities	9 10,051	11,718
Total liabilities	16,151	29,299
NET ASSETS	1,550,516	1,288,952
REPRESENTED BY		
Unit holders' fund (as per statement attached)	1,550,516	1,288,952
Contingencies and commitments	10	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	16,345,216	19,735,214
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	94.8606	65.3123

The annexed notes from 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 (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Half Year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
(Rupees in '000)					
INCOME					
Realized gain / (loss) on sale of investments - net		133,480	11,018	113,454	616
Dividend income		43,986	35,907	29,202	22,424
Markup on bank deposits		9,440	16,964	3,243	7,163
Net unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss'	5.1.2	389,007	(56,553)	323,085	(37,059)
Total income / (loss)		575,914	7,336	468,985	(6,856)
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	6.1	22,322	25,925	11,157	12,279
Sindh Sales tax on remuneration of the Management Company	6.2	2,902	3,370	1,451	1,596
Allocated expenses	6.3	589	786	250	373
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7	1,201	1,290	612	624
Sindh sales tax on remuneration of the Trustee		158	166	80	79
Selling and marketing expenses		984	-	984	-
Annual fee to the Securities and Exchange Commission of Pakistan	8	664	157	342	74
Brokerage, settlement and bank charges		3,044	3,142	1,656	1,730
Printing and related costs		50	14	25	(17)
Fees and subscription		-	15	-	7
Shariah advisory fee		288	360	137	179
Auditor's remuneration		375	472	203	320
Legal and professional charges		94	80	15	13
Donation		1,093	1,268	964	787
Total expenses		33,763	37,045	17,875	18,044
Net income / (loss) before taxation		542,151	(29,709)	451,110	(24,900)
Taxation	11	-	-	-	-
Net income / (loss) for the period after taxation		542,151	(29,709)	451,110	(24,900)
Allocation of net income for the period:					
Net income for the period after taxation		542,151	-	-	-
Income already paid on units redeemed		(41,400)	-	-	-
		500,751	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		483,343	-	-	-
- Excluding capital gains		17,408	-	-	-
		500,751	-	-	-
Earnings per unit	13				

The annexed notes from 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 December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	————— (Rupees in '000) —————			
Net income / (loss) for the period	542,151	(29,709)	451,110	(24,900)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>542,151</u>	<u>(29,709)</u>	<u>451,110</u>	<u>(24,900)</u>

The annexed notes from 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 (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended December 31,					
	2023			2022		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at the beginning of the period	1,489,352	(200,401)	1,288,951	1,919,624	(230,553)	1,689,071
Issuance of 1,456,567 units (2022: 5,179,341 units)						
Capital value	93,043	-	93,043	333,512	-	333,512
Element of Income	17,949	-	17,949	(3,222)	-	(3,222)
Amount received on issuance of units	110,992	-	110,992	330,290	-	330,290
Redemption of 4,846,565 units (2022: 7,686,097 units)						
Capital value	(309,590)	-	(309,590)	494,929	-	494,929
Element of Loss	(12,286)	(41,400)	(53,686)	5,032	-	5,032
Amount paid / payable on redemption of units	(321,876)	(41,400)	(363,276)	499,961	-	499,961
Total comprehensive income / (loss) for the period	-	542,151	542,151	-	(29,709)	(29,709)
Final Dividend paid during the Period at the rate of 1.4341 per unit	(28,302)	-	(28,302)	-	-	-
Net income for the period less distribution	(28,302)	542,151	513,849	-	(29,709)	(29,709)
Net assets at the end of the period	1,250,166	300,350	1,550,516	1,749,953	(260,262)	1,489,691
Accumulated loss brought forward comprising of:						
- Realised (loss) / gain		(180,907)			(27,389)	
- Unrealised (loss) / gain		(19,494)			(203,164)	
		(200,401)			(230,553)	
Net income / (loss) for the period after taxation		500,751			(29,709)	
Undistributed income / (Accumulated loss) carried forward		300,350			(260,262)	
Undistributed income / (Accumulated loss) carried forward comprising of:						
- Realised (loss) / gain		(88,657)			(203,709)	
- Unrealised loss		389,007			(56,553)	
		300,350			(260,262)	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		65.3123			64.3927	
Net asset value per unit at the end of the period		94.8606			62.7925	

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

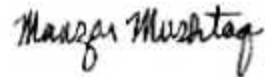
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	December 31,	
	2023	2022
	----- (Unaudited) -----	
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	542,151	(29,709)
Adjustments for:		
Dividend income	(43,986)	(35,907)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1.2 (389,007)	56,553
	109,158	(9,063)
Decrease / (increase) in assets		
Investments - net	107,467	94,849
Markup and other receivables	153	1,921
Advances, deposits and prepayments	-	(1)
Receivable against sale of investments	13	19,832
	107,633	116,601
(Decrease) / increase in liabilities		
Payable to MCB Investment Management Limited Limited - Management Company	1,563	(1,360)
Payable to Central Depository Company of Pakistan Limited - Trustee	34	(22)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(175)	(272)
Payable against purchase of investments	(12,903)	19,564
Accrued and other liabilities	(1,667)	(693)
	(13,148)	17,217
Dividend received	43,986	35,907
Net cash flows from operating activities	247,629	160,662
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	110,992	330,290
Payments against redemption of units	(363,276)	(499,961)
Dividend paid during the period	(28,302)	-
Net cash (used in) financing activities	(280,586)	(169,671)
Net decrease in cash and cash equivalents during the period	(32,957)	(9,009)
Cash and cash equivalents at the beginning of the period	187,605	324,500
Cash and cash equivalents at the end of the period	12 154,648	315,491

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

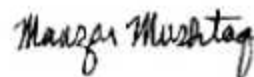
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed executed between MCB Investment Management Limited (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 Funds are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the Fund had been registered under the Sindh Trust Act.
- 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 In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. 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.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 (2022: 'AM1' dated October 6, 2022) to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 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 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 VIII A of the repealed Companies Ordinance, 1984; and
- the 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 VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed from with 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.

2.2 The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2023.

2.3 In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2023.

2.4 Functional and presentation currency

This condensed interim financial statements are presented in Pakistani 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.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or do not have any material effect on the Fund's operations and therefore not detailed in these financial statements.

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

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 will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

		December 31, 2023 (Un audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
4	BALANCES WITH BANKS		
	In current accounts	9,437	7,247
	In saving accounts	4.1 145,210	180,358
		4.2 154,648	187,605
4.1	These carry profit at the rates ranging from 18.5% to 21.25% per annum (June 30, 2023: 11.05% to 20.25% per annum).		
4.2	These include balances held with related parties of Rs. 8.873 million (June 30, 2023: Rs. 6.877 million) with MCB Bank Limited and Rs. 133,403 million (June 30, 2023: Rs. 170,340 million) with MCB Islamic Bank Limited.		
5	INVESTMENTS		
5.1	At fair value through profit or loss		
	Listed equity securities	5.1.1 1,395,084	1,113,544

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

5.1.1 Listed equity securities

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

Name of investee company	Number of shares			Balance as at December 31, 2023		Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2023	Purchased during the period	Purchased during the period	Carrying value	Carrying value	Carrying value	Carrying value	
								% -----
								(Rupees in '000) -----
Automobile parts & accessories								
Agriauto Industries Limited *	325	-	325	-	-	-	-	-
Automobile Assembler								
Pak Suzuki Motors Company Limited	-	55,000	29,000	26,000	7,841	7,841	0.94	0.03
Cement								
Kohat Cement Company Limited	70,000	-	70,000	-	-	-	-	-
Lucky Cement Limited	147,500	105,958	45,458	208,000	37,312	37,312	10.56	0.06
Maple Leaf Cement Factory Limited	1,900,000	2,051,459	1,111,459	2,840,000	88,935	21,598	7.13	0.26
Fauji Cement Company Limited (note 6.1.1.1)	8,500,250	625,000	3,625,250	5,500,000	64,764	39,296	6.71	0.22
D.G. Khan Cement Company Limited **	700,000	380,200	1,080,200	-	-	-	-	-
Cherat Cement Company Limited	130,000	82,500	212,500	-	-	-	-	-
Gharhwal Cement Limited	650,000	-	650,000	-	-	-	-	-
					280,078	378,285	12.95	0.54
Chemicals								
Archroma Pakistan Limited	25,000	4,000	-	29,000	13,810	110	0.90	0.08
Lucky Core Industries Limited	-	11,000	-	11,000	7,285	1,280	0.55	0.01
					21,095	1,390	1.00	0.09
Commercial banks								
Meezan Bank Limited (note 6.1.1.1)	805,000	324,581	317,462	812,119	80,325	50,719	8.45	0.05
Faysal Bank Limited	1,700,000	700,000	695,000	1,705,000	38,499	17,050	3.58	0.11
					118,824	186,592	12.03	0.16
Engineering								
International Steels Limited	-	422,500	102,500	320,000	15,277	23,366	1.51	0.07
Mughal Iron & Steel Industries Limited	250,000	556,000	50,000	756,000	40,972	9,060	3.23	0.23
					56,249	73,398	4.74	0.30
Fertilizer								
Engro Fertilizers Limited	700,000	-	560,000	140,000	11,554	15,712	1.01	0.01
Engro Corporation Limited	265,000	-	265,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	1,000,000	1,257,000	1,477,000	780,000	10,920	24,882	1.60	0.06
					22,474	40,594	2.61	0.07
Food & Personal Care Products								
Al-Tahir Limited	400,000	-	400,000	-	-	-	-	-
National Foods Limited	180,000	-	30,000	150,000	14,760	21,750	1.40	0.06
The Organic Meat Company Limited	600,006	-	600,006	-	-	-	-	-
					14,760	21,750	1.40	0.06
Glass & Ceramics								
Shabbir Tiles & Ceramics Limited *	439	1,073,000	439	1,073,000	14,554	15,290	0.99	0.33
Tariq Glass Industries Limited	-	144,488	-	144,488	12,738	14,408	0.93	0.08
					27,292	29,698	1.92	0.41

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

Name of investee company	Number of shares				Balance as at December 31, 2023		Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2023	Purchased during the period	Purchased during the period	Purchased during the period	Carrying value	Carrying value	Carrying value	Carrying value	
Miscellaneous									
Shifa International Hospitals Limited	140,000	31,700	25,000	146,700	20,578	2,569	1.33	1.48	0.23
					18,008	2,569	1.33	1.48	0.23
Oil & Gas Exploration Companies									
Mari Petroleum Company Limited	46,000	17,850	42,650	21,200	44,437	10,427	2.87	3.19	0.02
Oil & Gas Development Company Limited	750,000	281,000	360,000	671,000	58,835	16,619	4.87	5.41	0.02
Pakistan Oilfields Limited	55,000	-	55,000	-	-	-	-	-	-
Pakistan Petroleum Limited	600,000	783,000	597,000	786,000	56,520	33,893	5.83	6.48	0.03
					149,365	60,940	13.57	15.08	0.07
Balance carried forward									
Balance brought forward									
Oil And Gas Marketing Companies									
Attock Petroleum Limited	60,000	-	60,000	-	-	-	-	-	-
Paper and board									
Century Paper & Board Mills Limited	198,000	-	198,000	-	-	-	-	-	-
Packages Limited	37,244	44,562	7,244	74,562	29,594	9,930	2.55	2.83	0.08
					29,594	9,930	2.55	2.83	0.08
Pharmaceuticals									
Haleon Pakistan Limited	110,000	49,300	-	159,300	23,802	3,121	1.74	0.20	0.14
Citi Pharma Limited	500,000	65,000	-	565,000	12,200	1,213	0.87	0.96	0.25
Hightoon Laboratories Limited	82,225	8,000	27,200	63,025	21,657	10,143	2.05	2.28	0.12
Abbott Laboratories (Pakistan) Limited	-	4,700	-	4,700	2,115	48	0.14	0.16	-
Agg Limited	-	225,000	-	225,000	16,425	(605)	1.02	1.13	0.08
					76,200	13,919	5.82	4.73	0.59
Power Generation & Distribution									
The Hub Power Company Limited	760,000	410,000	297,500	872,500	64,216	37,945	6.59	7.32	0.07
Nishat Chumian Power Limited	-	400,000	-	400,000	11,309	(121)	0.72	0.80	0.11
					75,525	37,824	7.31	8.12	0.18
Refinery									
Attock Refinery Limited	-	102,000	40,000	62,000	15,145	5,158	0.01	0.01	0.06
					15,145	5,158	0.01	0.01	0.06
Technology & Communication									
Systems Limited	180,000	22,800	122,200	80,600	33,872	267	2.20	2.45	0.03
					33,872	267	2.20	2.45	0.03
Textile Composite									
Interloop Limited	1,115,000	250,000	293,000	1,072,000	39,073	38,111	4.98	5.53	0.08
Kobinoor Textile Mills Limited	450,650	-	450,500	150	8	7	-	-	-
Nishat (Chumian) Limited **	550,000	-	550,000	-	-	-	-	-	-
Nishat Mills Limited ***	219,399	305,511	234,910	290,000	21,838	411	1.43	1.59	0.08
					60,919	38,528	6.41	7.12	0.16
Total as at December 31, 2023					1,006,077	389,007			
Total as at June 30, 2023					1,148,019	(34,475)			

* These have a face value of Rs. 5 per share
** These represent transactions in shares of related parties

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

5.1.1.1 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).

Name of security	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
	— (Number of shares) —		— (Rupees in '000) —	
Meezan Bank Limited	500,000	500,000	80,680	43,185
Fauji Cement Company Limited	2,000,000	2,000,000	37,840	23,520
	<u>2,500,000</u>	<u>2,500,000</u>	<u>118,520</u>	<u>66,705</u>

5.1.1.2 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.

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

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. 0.035 million (June 30, 2023: Rs. 0.030 million).

		December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
	Note	——(Rupees in '000)——	
5.1.2	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
	Market value of investments	5.1.1 1,395,084	1,113,544
	Less: Carrying value of investments	5.1.1 1,006,077	1,148,019
		<u>389,007</u>	<u>(34,475)</u>

6 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	6.1	3,956	3,545
Sindh Sales Tax payable on remuneration of the Management Company	6.2	514	461
Allocated expenses payable	6.3	134	107
Sales load payable (including indirect taxes)		14	-
Selling and Marketing expense	6.4	984	-
Back end load payable		87	-
Shariah advisory fee payable		38	50
		<u>5,726</u>	<u>4,163</u>

6.1 The Management Company charged management fee at the rate up to 4% of the gross earnings of the scheme, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

6.3 The Management Company has charged allocated expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

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

6.4 The Management Company has charged Selling and Marketing Expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

7.1 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 average daily net asset value of the Fund. The tariff structure applicable to the Fund in respect of trustee fee is as follows:

Tariff applicable in prior year	
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

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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 to 0.095% (2022: 0.02%) and introduced a shift in payment frequency, from annual to monthly basis.

		December 31, 2023 (Un audited)	June 30, 2023 (Audited)
	Note	———— (Rupees in '000) ————	———— (Rupees in '000) ————
9 ACCRUED AND OTHER LIABILITIES			
Provision for Federal Excise Duty payable on:			
- Remuneration of the Management Company	9.1	5,910	5,911
- Sales load	9.1	1,136	1,135
Charity / donation payable		1,093	3,170
Auditors' remuneration payable		359	530
Withholding tax payable		463	4
Brokerage payable		366	302
Other payables		725	666
		<u>10,051</u>	<u>11,718</u>

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

9.1 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 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 December 31, 2023 would have been higher by Re. 0.43 per unit (June 30, 2023: Re. 0.36 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 (June 2023: Nil).

11 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 realized or unrealized, 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 realized or unrealized) 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.

	December 31, 2023 (Un audited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
12 CASH AND CASH EQUIVALENTS		
Balances with banks	154,648	187,605

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 the determination of the same is not practicable.

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

14 TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended December 31, 2023 is 4.83% which includes 0.58% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

15 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, 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.

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

December 31,	December 31,
2023	2022
(Un audited)	(Un audited)
----- (Rupees in '000) -----	----- (Rupees in '000) -----

15.1 Details of transactions with connected persons are as follows:

MCB Investment Management Limited - Management Company

Remuneration of the Management Company and related taxes	25,223	29,295
Allocated expenses	589	786
Shariah advisory fee	288	360
Marketing & Selling Expense	984	-

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

	December 31, 2023 (Un audited)	December 31, 2022 (Un audited)
	—— (Rupees in '000) ——	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee and related taxes	1,359	1,456
Settlement charges	108	125
MCB Bank Limited		
Bank charges	10	6
MCB Islamic Bank Limited		
Markup on bank deposit	2,993	-
Nishat Mills Limited		
Purchase of 305,511 (Dec 31, 2022: 50,00) shares	22,785	3,475
Sale of 234,910 (Dec 31, 2022: 450,000) shares	14,515	31,443
D.G. Khan Cement Company Limited		
Purchase of shares 380,200 (Dec 31,2022: 225,000) shares	21,064	13,925
Sale of shares 1,080,200 (Dec 31, 2022: 553,265) shares	66,498	30,335
Dividend Income	-	380
Aisha Steel Mills Limited		
Purchase of Nil (Dec 31, 2022: 650,000) shares	-	7,602
Sale of Nil (Dec 31, 2022: 166,805) shares	-	1,393
Nishat Chunian Limited		
Purchase of shares Nil (Dec 31,2022: 636,420) shares	-	20,905
Sale of shares Nil (Dec 31, 2022: 1,441,420) shares	-	59,436
Dividend Income	-	1,746
Pak Elektron Limited		
Purchase of Nil (Dec 31, 2022: 490,000) shares	-	8,246
Sale of Nil (Dec 31, 2022: 1,390,000) shares	-	22,534
International Steels Limited		
Purchase of 422,500 (Dec 31, 2022: Nil) shares	20,170	-
Sale of 102,500 (Dec 31, 2022: Nil) shares	7,596	-
Dividend Income	1,056	-

* 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 counterparties are not connected persons.

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

	December 31, 2023 (Un audited)	June 30, 2023 (Audited)
	————— (Rupees in '000) —————	————— (Rupees in '000) —————
15.2 Balances outstanding at period / year end:		
MCB Investment Mangement Limited - Management Company		
Management remuneration payable	3,954	3,545
Sindh sales tax payable on remuneration of the management company	514	461
Allocated expenses payable	134	107
Sales load payable	14	-
Back end load payable	87	-
Shariah advisory fee payable	38	50
Selling & Marketing Payable	984	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	218	190
Sindh sales tax payable on Trustee remuneration	28	23
Security deposit payable	200	200
Group / Associated Companies:		
MCB Bank Limited		
Balance with bank	8,873	6,877
MCB Islamic Bank Limited		
Balance with bank	133,408	170,340
D.G. Khan Cement Company Limited		
Nil (June 2023: 700,000) shares held	-	35,910
Nishat Mills Limited		
290,000 (June 2023: 219,399) shares held	22,249	12,455
International Steels Limited		
320,000 (June 2023: Nil) shares held	23,366	-

* 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.

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

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

	December 31, 2023 (Un-audited)							
	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 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	161	8,175	-
Adamjee Life Assurance Co. Ltd. (Imf)	2,142,460	40,884	1,261,444	921,900	139,929	2,612	93,000	87,452
Adamjee Life Assurance Co. Ltd. Amaanat Fund	1,267,428	24,186	154,348	1,137,266	82,779	1,545	11,500	107,882
Adamjee Life Assurance Co. Ltd -Mazzaaf	3,580,650	68,329	201,351	3,447,628	233,860	4,365	15,000	327,044
Hyundai Nishat Motor Private Limited Employees Provident Fund	223,742	55,655	40,857	238,540	14,613	3,721	3,450	22,628
Key management personnel*	16,740	1,081	17,822	(1)	1,093	70	1,197	(0)
Mandate under Discretionary								
Portfolio Services *	1,188,302	73,292	186,047	1,075,547	77,611	4,848	13,795	102,027

* This reflects the position of related party / connected persons status as at December 31, 2023.

	December 31, 2022							
	As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022
	Units				(Rupees in '000)			
Group / Associated Companies								
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	112,524	-	-	112,524	7,246	-	-	7,066
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	580,377	1,562,083	-	2,142,460	37,372	100,000	-	134,530
Adamjee Life Assurance Company Limited - Amaanat Fund	463,331	850,929	15,924	1,298,336	29,835	52,591	1,000	81,526
Adamjee Life Assurance Company Limited - (MAZAAF)	1,932,537	1,952,603	-	3,885,140	124,441	125,000	-	243,958
Hyundai Nishat Motor Private Limited Employees Provident Fund	167,136	46,180	57,046	156,270	10,762	2,900	3,700	9,813
Key management personnel*	17,324	464	1,048	16,740	1,116	30	68	1,051
Mandate under Discretionary								
Portfolio Services *	742,386	164,323	476,308	430,401	47,804	10,850	30,851	27,026

16 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.

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

16.1 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:

----- Unaudited -----				
----- December 31, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	1,395,084	-	-	1,395,084
----- Audited -----				
----- June 30, 2023 -----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	1,113,544	-	-	1,113,544

17 GENERAL

- 17.1 Figures have been rounded off to the nearest thousands, unless otherwise specified.
- 17.2 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

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

18 DATE OF AUTHORISATION FOR ISSUE

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

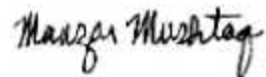
For MCB Investment Management Limited
(Management Company)



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, Email: info@mcbfunds.com