



MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2023
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



ALHAMRA ISLAMIC INCOME FUND

TABLE OF CONTENTS

1	Fund's Information	356
2	Report of the Directors of the Management Company	357
3	Trustee Report to the Unit Holders	366
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	367
5	Condensed Interim Statement of Assets And Liabilities	368
6	Condensed Interim Income Statement (Un-audited)	369
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	370
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	371
9	Condensed Interim Cash Flow Statement (Un-audited)	372
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	373

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 United Bank Limited Allied Bank Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited	Bank Islamic Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited Silk Bank Limited Al Baraka Bank Pakistan Limited The Bank of Khyber
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawane & 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 Income 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

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 20.68% as against its benchmark return of 9.1%.

The allocation of fund was towards Cash and Sukuk with the exposures standing at 18.4% and 11.3% respectively.

The Net Assets of the Fund as at December 31, 2023 stood at Rs. 10,532 million as compared to Rs. 4,275 million as at June 30, 2023 registering an increase of 146.36%.

The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 113.7265 as compared to opening NAV of Rs. 102.9884 per unit as at June 30, 2023 registering an increase of Rs. 10.7381 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.

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

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

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 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.

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

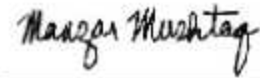
ACKNOWLEDGMENT

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

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

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

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2024ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2024ء

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

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کی پہلی 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 برآں، 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 فنڈ تقریباً 49.8 فیصد کے ساتھ سب سے آگے تھے، جبکہ انکم فنڈ 31.8 فیصد کے ساتھ دوسرے نمبر پر، اور ایکویٹی اور متعلقہ فنڈ 10.6 فیصد کے ساتھ تیسرے نمبر پر تھے۔

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالاجہتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوست ممالک، آئی ایم ایف اور کثیرالاجہتی 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 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 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 کثیرالاجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر روپیہ مالی سال کے اختتام پر تقریباً 306 ہوگا اور اختتامی REER 95 ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.8 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 کثیرالاجہتی 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

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 بالترتیب 2.3 فیصد اور 0.1 فیصد ترقی ہوئی جبکہ صنعت کے شعبے میں 3.8 فیصد گراوٹ 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 بالترتیب 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۔

فنانس کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 20.68 فیصد تھا، بالمقابل مقررہ معیار 9.1 فیصد کے۔
فنانس کی سرمایہ کاری نقد میں 18.4 فیصد اور سٹاک میں 11.3 فیصد تھی۔

31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 10,532 ملین روپے تھے، جو 30 جون 2023ء کو 4,275 ملین روپے کے مقابلے میں 146.36 فیصد اضافہ ہے۔

31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 113.7265 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 102.9884 روپے فی یونٹ کے مقابلے میں 10.7381 روپے فی یونٹ اضافہ ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس کن کارکردگی کے بعد مالی سال 2024ء میں 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 ہو گئی، بالمقابل مالی سال 2023ء میں 4.9 ملین گانٹھوں کے۔

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمر اسلامک انکم 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 اسے گنگ 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 انٹرنیشنل بینک 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 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 صارفین کی 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 Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALHAMRA ISLAMIC INCOME 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 Income 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



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 Income 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 17, 2023 and September 20, 2023 respectively.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Junaid Mesia**
Dated: February 26, 2024
Karachi
UDIN: RR202310611e47YcNk1w

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)	June 30, 2023 (Audited)
(Rupees in '000)			
ASSETS			
Bank balances	5	1,954,975	1,539,887
Investments	6	7,572,377	2,178,742
Profit receivable		378,656	165,903
Advance against IPO Subscription of Sukuk	7	700,000	397,000
Advances, deposits, prepayments and other receivables		36,812	20,570
Total assets		10,642,820	4,302,102
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	8	26,057	6,190
Payable to Central Depository Company of Pakistan Limited - Trustee	9	788	298
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	697	1,171
Dividend payable		10	10
Accrued expenses and other liabilities	11	82,820	19,308
Total liabilities		110,372	26,977
NET ASSETS		10,532,448	4,275,125
Unit holders' fund (as per statement attached)		10,532,448	4,275,125
Contingencies and commitments	12	(Number of units)	
NUMBER OF UNITS IN ISSUE		92,612,068	41,510,753
NET ASSET VALUE PER UNIT		113.7265	102.9884

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

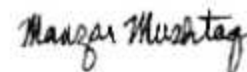
For MCB Investment Management Limited
(Management Company)



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				
Income from government securities	200,930	66,567	152,515	34,255
Capital (loss) / gain on sale of investments - net	(915)	581	(434)	20
Income from sukuk certificates	151,969	188,479	72,555	98,396
Profit on bank deposits	197,453	155,417	136,380	93,278
Income on term deposits receipts and Bai Muajjal	12,440	29,947	-	21,193
Income on commercial paper	-	2,135	-	1
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	6.5	29,523	(14,619)	31,011
Other income	116	-	63	(6,425)
Total income	591,516	428,507	392,090	240,718
EXPENSES				
Remuneration of MCB Investment Management Limited - Management Company	8.1	31,189	16,425	24,419
Sindh Sales Tax on remuneration of Management Company	8.2	4,054	2,135	3,174
Allocated expenses	8.3	2,721	3,015	1,412
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	2,035	2,261	1,297
Sindh Sales Tax on remuneration of the Trustee		265	294	169
Annual fees of the Securities and Exchange Commission of Pakistan	10	2,036	603	1,298
Auditors' remuneration		419	381	228
Securities and transaction cost		171	10	96
Selling and marketing expenses	8.4	12,425	805	6,752
Settlement and bank charges		329	271	147
Fees and subscriptions		270	259	70
Legal and professional charges		94	80	15
Shariah advisory fee		288	360	137
Printing and related costs		50	14	25
Total expenses		56,346	26,913	39,239
Net income for the period before taxation		535,170	401,594	352,851
Taxation	13	-	-	-
Net income for the period after taxation		535,170	401,594	352,851
Allocation of net income for the period:				
Net income for the period after taxation		535,170	401,594	
Income already paid on units redeemed		(106,271)	(63,215)	
		428,899	338,379	
Accounting income available for distribution				
- Relating to capital gain		35,276	-	
- Excluding capital gains		393,623	338,379	
		428,899	338,379	
Earnings per unit	14			

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

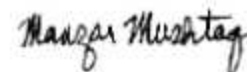
For MCB Investment Management Limited
(Management Company)



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 for the period after taxation	535,170	401,594	352,851	227,008
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>535,170</u>	<u>401,594</u>	<u>352,851</u>	<u>227,008</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

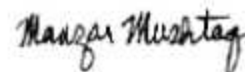
For MCB Investment Management Limited
(Management Company)



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			Half year ended December 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	4,226,347	48,778	4,275,125	4,747,853	35,522	4,783,375
Issuance of 132,422,146 units (2022: 94,148,961 units):						
- Capital value (at net asset value per unit at the beginning of the period)	13,637,945	-	13,637,945	9,618,590	-	9,618,590
- Element of income	1,130,938	-	1,130,938	322,804	-	322,804
	14,768,883		14,768,883	9,941,394	-	9,941,394
Redemption of 81,320,831 units (2022: 79,684,334 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(8,375,102)	-	(8,375,102)	(8,140,833)	-	(8,140,833)
- Element of income	(565,357)	(106,271)	(671,628)	(230,717)	(63,215)	(293,932)
	(8,940,459)	(106,271)	(9,046,730)	(8,371,550)	(63,215)	(8,434,765)
Total comprehensive income for the period	-	535,170	535,170	-	401,594	401,594
Net assets as at the end of the period	<u>10,054,771</u>	<u>477,677</u>	<u>10,532,448</u>	<u>6,317,697</u>	<u>373,901</u>	<u>6,691,598</u>
Undistributed income brought forward						
- Realised		64,760			37,763	
- Unrealised		(15,982)			(2,241)	
		48,778			35,522	
Accounting income available for distribution						
- Relating to capital gain		35,276			-	
- Excluding capital gains		393,623			338,379	
		428,899			338,379	
		<u>477,677</u>			<u>373,901</u>	
Undistributed income carried forward						
- Realised		448,154			388,520	
- Unrealised		29,523			(14,619)	
		<u>477,677</u>			<u>373,901</u>	
	-- (Rupees) --			-- (Rupees) --		
Net asset value per unit as at beginning of the period	<u>102.9884</u>			<u>102.1635</u>		
Net asset value per unit as at end of the period	<u>113.7265</u>			<u>109.1875</u>		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

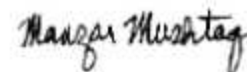
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	Half year ended December 31,	
		2023	2022
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		535,170	401,594
Adjustments for non cash and other items:			
Net unrealised (appreciation) / diminution in fair value of investments classified as financial assets 'at fair value through profit or loss'	6.5	(29,523)	14,619
		505,647	416,213
(Increase) / decrease in assets			
Investments		(5,364,112)	124,679
Profit receivable		(212,753)	(50,861)
Advance against IPO Subscription of Sukuk		(303,000)	(647,000)
Advances, deposits, prepayments and other receivables		(16,242)	9,936
		(5,896,107)	(563,246)
Increase / (decrease) in liabilities			
Payable to MCB Investment Management Limited - Management Company		19,867	30
Payable to Central Depository Company of Pakistan Limited - Trustee		490	72
Payable to the Securities and Exchange Commission of Pakistan		(474)	(903)
Payable against purchase of investments		-	(741,576)
Accrued expenses and other liabilities		63,512	(7,080)
		83,395	(749,457)
Net cash used in operating activities		(5,307,065)	(896,490)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		14,768,883	9,941,394
Payments on redemption of units		(9,046,730)	(8,434,765)
Net cash generated from financing activities		5,722,153	1,506,629
Net increase in cash and cash equivalents during the period		415,088	610,139
Cash and cash equivalents at beginning of the period		1,539,887	1,855,629
Cash and cash equivalents at end of the period	16	1,954,975	2,465,768

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

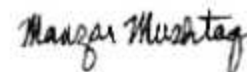
For MCB Investment Management Limited
(Management Company)



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 Income Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited (now: MCB Investment Management Limited), as the 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 January 25, 2011 consequent to which Trust Deed was executed on March 07, 2011 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 13, 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 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 Regulation) Rules, 2003 (the NBFC Rules) 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-end collective investment scheme and is listed on the Pakistan Stock Exchange Limited. The principal objective of the Fund is to seek to generate superior risk adjusted returns by investing in short, medium and long-term Shariah Compliant fixed income instruments. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund has been categorised as a "Shariah Compliant (Islamic) Income 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 the SECP.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 (June 30, 2023: 'AM1' dated October 6, 2022) to the Management Company and AA-(f) as stability rating dated September 8, 2023 (June 30, 2023: "AA-(f)" dated March 09, 2023) to the Fund. 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 the Central Depository Company of Pakistan Limited 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;

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

- 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 Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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 deed requirements of IAS 34, 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 do 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 of the Fund 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 will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
5	BANK BALANCES	Note	
	In savings accounts	5.1 & 5.2	1,926,792
	In current accounts	5.2	28,183
		1,954,975	1,539,887

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

- 5.1 These carry profit at the rates ranging between 18.5% to 21.2% (June 30, 2023: 12.52% to 20.25%) per annum and include Rs. 1,911.702 million (June 30, 2023: Rs. 202.819 million) maintained with MCB Islamic Bank Limited (a related party).
- 5.2 These include Rs. 27.83 million (June 30, 2023: Rs 37.514 million) maintained with MCB Bank Limited, a related party / connected person.

6	INVESTMENTS	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			(Rupees in '000)	
At fair value through profit or loss				
	Unlisted debt securities	6.1	497,962	1,064,120
	Listed debt securities	6.2	405,622	-
	Government of Pakistan - Ijara Sukuk	6.3	6,668,793	559,622
At amortized cost				
	Term deposit receipts	6.4	-	555,000
			<u>7,572,377</u>	<u>2,178,742</u>

- 6.1 **Unlisted debt securities - Sukuk - at fair value through profit or loss**
Certificates have a face value of Rs 100,000 each unless stated otherwise

Name of investee company	Number of Certificates					December 31, 2023			Market value as a percentage of	
	As at July 1, 2023	Purchased during the period	Matured during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets	Total investments
						Rupees in '000			%	
Chemical										
Ghani Chemical Industries Limited (Formerly: Ghani Gases Limited)	1,000	-	-	-	1,000	3,833	4,092	259	0.04	0.05
Pharmaceutical										
Aspin Pharma (Private) Limited	2,033	-	2,033	-	-	-	-	-	-	-
Bank										
Dubai Islamic Bank Pakistan Ltd Sukuk*	-	22	-	-	22	22,000	22,132	132	0.21	0.29
Bank										
Meezan Bank Limited *	355	-	-	70	285	286,918	285,713	(1,205)	3	4
Meezan Bank Limited *	272	-	-	83	189	187,110	186,025	(1,085)	2	2
As at December 31, 2023						<u>499,861</u>	<u>497,962</u>	<u>(1,899)</u>		
As at June 30, 2023						<u>1,078,609</u>	<u>1,064,120</u>	<u>(14,489)</u>		

* Face value of this sukuk certificate is Rs. 1,000,000

- 6.2 **Listed debt securities - Sukuk - at fair value through profit or loss**
Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of Certificates					December 31, 2023			Market value as a percentage of	
	As at July 1, 2023	Purchased during the period	Matured during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation	Net assets	Total investments
						Rupees in '000			%	
Power										
Pakistan Energy Sukuk - II	81,100	-	-	-	81,100	405,582	405,622	40	4	5
As at December 31, 2023						<u>405,582</u>	<u>405,622</u>	<u>40</u>		
As at June 30, 2023						<u>-</u>	<u>-</u>	<u>-</u>		

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

6.3 Government of Pakistan (GoP) Ijara Sukuks - at fair value through profit or loss

Tenure	Issue Date	Face value			December 31, 2023			Market value as a percentage of		
		At July 01, 2023	Purchased during the period	Sold during the period	At December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets	Total investments
					(Rupees in '000)			%		
Government of Pakistan- Ijara Sukuk										
-1 Year	April 17, 2023	-	2,027,000	-	2,027,000	2,047,447	2,038,827	(8,620)	19.36	26.92
-1 Year	July 12, 2023	-	113,000	-	113,000	113,019	113,113	94	1.07	1.49
-1 Year	August 7, 2023	-	412,000	400,000	12,000	12,016	12,002	(14)	0.11	0.16
-1 Year	September 20, 2023	-	275,000	-	275,000	274,973	275,000	27	2.61	3.63
-1 Year	October 9, 2023	-	710,000	-	710,000	712,653	721,573	8,920	6.85	9.53
-1 Year	December 4, 2023	-	150,000	-	150,000	150,042	150,750	708	1.43	1.99
Government of Pakistan- Ijara Sukuk										
-3 Years	June 26, 2023	-	550,000	-	550,000	552,708	566,940	14,232	5.38	7.49
-3 Years	December 4, 2023	-	575,000	-	575,000	575,194	576,438	1,244	5.47	7.61
Government of Pakistan- Ijara Sukuk										
-5 Years	July 29, 2020	563,000	150,000	-	713,000	711,896	720,130	8,234	6.84	9.51
-5 Years	October 6, 2021	-	185,000	-	185,000	184,016	186,850	2,834	1.77	2.47
-5 Years	October 26, 2022	-	200,000	-	200,000	201,951	203,560	1,609	1.93	2.69
-5 Years	December 4, 2023	-	1,100,000	-	1,100,000	1,101,496	1,103,610	2,114	10.48	14.57
As at December 31, 2023						<u>6,637,411</u>	<u>6,668,793</u>	<u>31,382</u>		
As at June 30, 2023						<u>561,115</u>	<u>559,622</u>	<u>(1,493)</u>		

6.3.1 These will mature latest by April 17, 2024 and carry effective yield rate ranging from 15.59% to 23% (June 30, 2023: 17.65%) per annum.

6.4 Term deposit receipts - at amortized cost

Particulars	Profit rate	Issue Date	Maturity Date	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
					(Rupees in '000)		%
As at December 31, 2023					<u>-</u>		
As at June 30, 2023					<u>555,000</u>		<u>555,000</u>

6.5 Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss'	Note	December 31, 2023	December 31, 2022
		(Un-audited)	(Un-audited)
		(Rupees in '000)	
Market value of investments	6.1, 6.2 & 6.3	7,572,377	2,528,935
Less: Carrying value of investments	6.1, 6.2 & 6.3	<u>(7,542,854)</u>	<u>(2,543,554)</u>
		<u>29,523</u>	<u>(14,619)</u>

6.6 Significant terms and conditions of term finance certificates and other securities outstanding at the period end are as follows:

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

Name of security	Number of certificates	Face value per certificate Rupees	Face value / redemption value in total Rupees	Interest rate per annum	Maturity	Secured / unsecured	Rating
Unlisted debt securities							
Ghani Chemical Industries Limited (Formerly: Ghani Gases Limited)	1,000	100,000	4,167	3M kibar + 1.00%	February 3, 2024	Secured	A
Dubai Islamic Bank Pakistan Ltd	22	1,000,000	1,000,000	6M kibar + 0.7%	December 12, 2032	Unsecured	AA-
Meezan Bank Limited	285	1,000,000	1,000,000	6M kibar + 0.90%	January 09, 2030	Unsecured	AA
Meezan Bank Limited	189	1,000,000	1,000,000	6M kibar + 0.35%	December 16, 2031	Unsecured	AA
Listed debt securities							
Pakistan Energy Sukuk - II	81,100	5,000	5,000	6M kibar - 0.10%	May 21, 2030	-	-

7 ADVANCE AGAINST IPO SUBSCRIPTION OF SUKUK

This includes an amount of Rs. 700 million paid against subscription of IPO of Nishat Mills Limited. (June 30, 2023: Rs. 377 million paid against subscription of IPO of Nishat Mills Limited and Rs. 20 million paid against IPO of Dubai Islamic Bank Limited)

	Note	December 31, 2023 (Un-audited) (Rupees in '000)	June 30, 2023 (Audited)
8 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	12,676	2,422
Sindh Sales Tax payable on management remuneration	8.2	1,648	315
Sales load payable		4,013	566
Payable against shariah advisory fee		37	50
Payable against allocated expenses	8.3	930	351
Payable against selling and marketing expenses	8.4	6,753	2,486
		<u>26,057</u>	<u>6,190</u>

8.1 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 0.5% to 10% (December 31, 2022: 3.25% to 5%) of the gross earnings of the scheme calculated on a daily basis during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

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

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the Fund based on its discretion subject to not being higher than actual expense incurred.

8.4 The SECP has allowed the Asset Management companies to charge selling and marketing expenses to all categories of open-end mutual funds, upto a maximum limit approved by the Board of Directors of 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.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.075% (June 30, 2023: 0.075%) of average daily net assets of the Fund during the period.

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

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

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

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.075% of net assets, applicable on "Shariah Compliant (Islamic) Income 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 0.075% 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.

	Note	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		(Rupees in '000)	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax payable on:			
- Remuneration of the Management Company	11.1	8,639	8,639
- Sales load		3,028	3,028
Auditors' remuneration		474	554
Capital gain tax		5,833	4,050
Printing charges payable		90	40
Payable to legal advisor		748	739
Brokerage payable		344	282
Other payable		63,664	1,976
		<u>82,820</u>	<u>19,308</u>

- 11.1** 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 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 11.7 million (June 30, 2023: Rs. 11.7 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 Rs. 0.126 per unit (June 30, 2023: Rs. 0.281 per unit).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

On December 17, 2020, the Federal Board of Revenue (FBR) issued an Order u/s 122 (5A) of the Income Tax Ordinance (ITO), 2001 for the Tax Year 2018 thereby raising a net tax demand of Rs. 41 million. The Management Company on behalf of the Fund filed appeal before Commissioner Inland Revenue—Appeals (CIRA). The Management Company on behalf of the Fund obtained Stay Order from the Sindh High Court against the tax demanded by Commissioner in Assessment Order. On February 24, 2022, Appellate Order was passed by CIRA whereby the Assessment Order issued by ACIR has been remanded back by CIRA. Since then no notice / Order has yet been issued from FBR.

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

12.2 Commitments

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

13 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements during the period.

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

14 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.

15 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.06% (December 31, 2022: 0.89%) which includes 0.23% (December 31, 2022: 0.10%) representing government levies and SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2022: 2.5%) under the NBFC Regulations for a collective investment scheme categorised as an "Shariah Compliant (Income) scheme".

			December 31, 2023	December 31, 2022
			(Un-audited)	
			----- (Rupees in '000) -----	
16 CASH AND CASH EQUIVALENTS		Note		
Bank balances		5	1,954,975	2,465,768

17 TRANSACTIONS WITH RELATED PARTY / 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 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 with related parties / connected persons during the period are as follows:

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

17.1 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) -----	
MCB Investments Management Limited		
Remuneration of the Management Company (including indirect taxes)	35,243	18,560
Shariah advisory fee	288	360
Allocated expenses	2,721	3,015
Selling and marketing expenses	12,425	805
Central Depository Company of Pakistan Limited		
Remuneration of the Trustee (including indirect taxes)	2,300	2,555
Settlement charges	34	2
Group / associated companies:		
MCB Bank Limited		
Bank charges	71	77
MCB Islamic Bank Limited		
Profit on bank balances	47,260	12,787
Profit on Term deposit receipt	-	29,947

17.2 Balances outstanding as at period / year end

	December 31, 2023	June 30, 2023
	(Un-audited)	(Audited)
MCB Investment Management Limited		
Management remuneration payable	12,676	2,422
Sindh Sales Tax payable on remuneration of Management Company	1,648	315
Sale load payable	3,216	105
Back end load payable	797	461
Payable against shariah advisory fee	37	50
Payable against allocated expenses	930	351
Payable against selling and marketing expenses	6,753	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	698	264
Sindh Sales Tax payable on remuneration of Trustee	90	34
Security deposits	100	100
Group / Associated Companies:		
MCB Bank Limited		
Bank balance	28,938	37,514
MCB Islamic Bank Limited		
Bank balance	1,911,702	202,819
Profit receivable on bank balance	38,784	508,877
Investment in term deposit receipt	-	555,000
Profit receivable on term deposit receipt	-	71,643

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

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

For the half year ended 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)			
Associated companies / undertakings:							
MCB Investment Management Limited	61,939	-	61,939	-	6,379	-	6,785
Adamjee Life Assurance Company Limited	-	2,460,878	1,793,850	667,028	-	275,143	200,798
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	-	620,860	620,225	635	-	69,018	69,563
Arif Habib Securities Limited Employees Provident Fund Trust	73,294	-	73,294	-	7,548	-	7,626
MCBFSL Trustee Alhamra Smart Portfolio	798,631	76,066	60,147	814,550	82,250	8,363	6,561
Adamjee Insurance Company Limited Window Takaful Operations	-	1,528,303	-	1,528,303	-	168,467	-
Mandate Under Discretionary Portfolio Services	71	1,999,650	831,087	1,168,634	7	221,740	93,394
Key management personnel	27,000	555,695	441,853	140,842	2,781	61,462	49,168

For the half year ended December 31, 2022 (Un-audited)							
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)			
Associated companies / undertakings:							
MCB Investment Management Limited	-	625,768	340,420	285,348	-	66,016	35,613
Adamjee Life Assurance Company Limited Amaanat Fund	-	493,041	493,041	-	-	52,000	52,894
Adamjee Life Assurance Company Limited - Tameen	-	5,877,273	1,683,993	4,193,280	-	620,073	175,870
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	-	193,996	130,094	63,902	-	19,913	13,800
Arif Habib Securities Limited Employees Provident Fund Trust	87,440	-	14,147	73,293	8,933	-	1,500
MCBFSL Trustee Alhamra Smart Portfolio	1,009,242	86,117	371,989	723,370	103,108	9,042	39,170
Adamjee Life Assurance Company Limited - Saman	-	11,351	11,351	-	-	1,180	1,237
Adamjee Life Assurance Company Limited Managed Growth Fund	-	8,609	8,609	-	-	895	896
Mandate Under Discretionary Portfolio Services	756	2,271,413	611,167	1,661,002	77	240,962	66,335
Key management personnel	126,373	172,259	236,041	62,591	12,911	18,248	24,849

18 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.

18.1 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).

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

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 measured at fair value				
Unlisted debt securities	190,117	307,845	-	497,962
Listed debt securities	405,622	-	-	405,622
Government of Pakistan - Ijara Sukuk	-	6,668,793	-	6,668,793
	<u>595,739</u>	<u>6,976,638</u>	<u>-</u>	<u>7,572,377</u>

----- Audited -----				
----- June 30, 2023 -----				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
Financial assets measured at fair value				
Unlisted debt securities	706,731	357,389	-	1,064,120
Government of Pakistan - Ijara Sukuk	-	559,622	-	559,622
Term deposit receipts *	-	555,000	-	555,000
	<u>706,731</u>	<u>1,472,011</u>	<u>-</u>	<u>2,178,742</u>

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

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.

19 GENERAL

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

20 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.

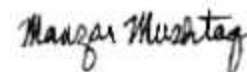
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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

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