

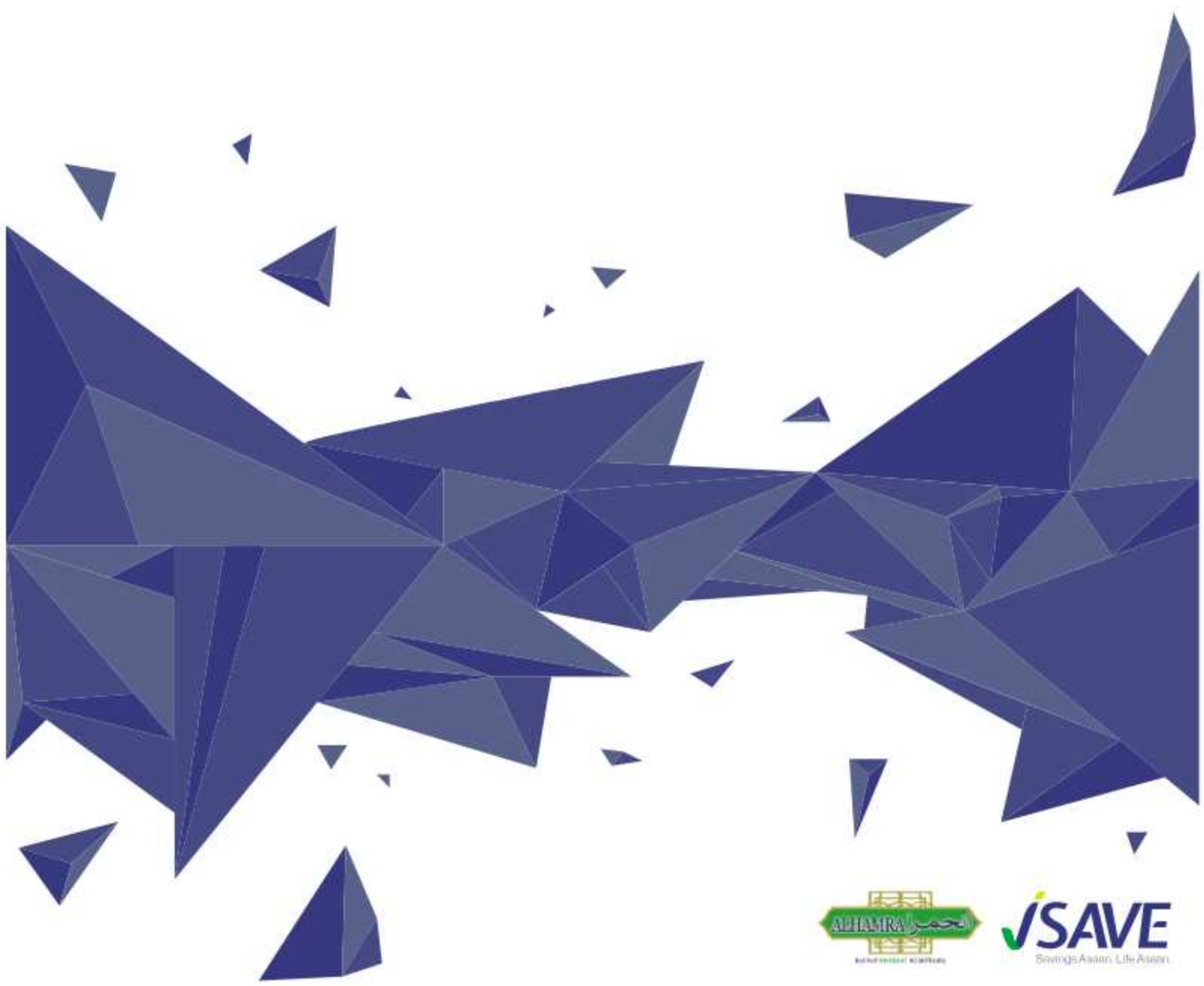


MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2023**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **ALHAMRA ISLAMIC MONEY MARKET FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Digital Custodian Company Limited</b> 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
<b>Bankers</b>	MCB Bank Limited Allied Bank Limited United Bank Limited Meezan Bank Limited Dubai Islamic Bank Limited Faysal Bank Limited	National Bank Limited Askari Bank Limited Habib Bank Limited Bank Al Habib Limited Bank Al Falah Limited The Bank of Punjab
<b>Auditors</b>	<b>BDO Ibrahim &amp; Co.</b> Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Money Market 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 posted a return of 20.85% compared to the benchmark return of 9.37%. In addition, the fund's exposure in Cash stood at 51%.

The Net Assets of the Fund as at December 31, 2023 stood at Rs. 20,963 million as compared to Rs. 25,505 million as at June 30, 2023 registering a decrease of 17.81%. The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 99.5100 as compared to Rs. 99.5100 at June 30, 2023 as well.

*\*Converted into Islamic money market fund from 21<sup>st</sup> Aug 2020, hence this reflects performance from this date.*

### 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 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

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

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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 is 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**

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**ACKNOWLEDGMENT**

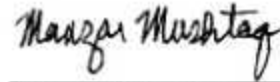
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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



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**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 ایچینج 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

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2024ء

Manzoor Mushtaq

منظر مشتاق

ڈائریکٹر

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 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 مدّت 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 مدّت 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 فنڈز 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 کثیرالچھتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوست ممالک، آئی ایم ایف اور کثیرالچھتی 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 کثیرالچھتی 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 کثیرالچھتی 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 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۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 20.85 فیصد منافع پوسٹ کیا، بالمقابل مقررہ معیار 9.37 فیصد کے۔ علاوہ ازیں، فنڈ کی نقد میں سرمایہ کاری 51 فیصد کی سطح پر تھی۔

31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 20,963 ملین روپے تھے، جو 30 جون 2023ء کو 25,505 ملین روپے کے مقابلے میں 17.81 فیصد کمی ہے۔

31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 99.5100 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 99.5100 روپے فی یونٹ کے برابر ہے۔

\* 21 اگست 2020ء سے اسلاک منی مارکیٹ فنڈ میں تبدیلی کر دیا گیا، چنانچہ یہاں اس تاریخ سے کارکردگی کی عکاسی کی گئی 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 الحراء اسلامک منی مارکیٹ 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 بائے (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 انٹرنیٹک 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 کثیر الجہتی ذرائع سے آمدات کی بدولت ممکن ہوا۔

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

# TRUSTEE REPORT TO THE UNIT HOLDERS



## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### AL HAMRA ISLAMIC MONEY MARKET FUND

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

Al Hamra Islamic Money Market Fund an open-ended scheme and has been constituted by a Trust Deed entered into at Karachi on dated 22 July, 2015 as amended through the modified and restated First Supplemental Trust Deed dated July 17, 2020 between MCB Investment Management Limited and Digital Custodian Company Limited as Trustee.

1. MCB Investment Management Limited formerly MCB Arif Habib Savings and Investments Limited the Management Company of Al Hamra Islamic Money Market Fund has in all material respects managed Al Hamra Islamic Money Market Fund during the period ended December 31<sup>st</sup>, 2023 in accordance with the provisions of the following:
  - i. Investment limitations imposed on the Asset Management Company and the Trustee under the Trust Deed and other applicable laws;
  - ii. The valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - iii. The creation and cancellation of units are carried out in accordance with the deed;
  - iv. And any regulatory requirement.
2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

#### Statement

No short coming has been addressed during the year ended December 31<sup>st</sup>, 2023.

3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the short coming(s).

#### Disclosure of the steps

We have critically examine the fund in accordance with circular, directives, NBFC Regulations 2008 and its constitutive documents. However, no shortcoming has been addressed.

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D.H.

## TRUSTEE REPORT TO THE UNIT HOLDERS

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4. Trustee's opinion regarding the calculation of the management fee, CIS Monthly Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework.

### Trustee Opinion

"The Management fee, CIS monthly fee payable to the Commission and other expenses has been accurately calculated in accordance with the NBFC Regulations, 2008 and its constitutive documents".

Dabeer Khan  
Manager Compliance  
Digital Custodian Company Limited

Karachi: February 20, 2024

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



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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF ALHAMRA ISLAMIC MONEY MARKET FUND

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Alhamra Islamic Money Market 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 16, 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: RR202310166CMwl6qrVX

  
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 31 DECEMBER 2023**

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	(Rupees in '000)	
<b>ASSETS</b>		
Bank balances	4 10,724,805	19,015,578
Investments	5 9,682,717	6,140,000
Mark-up receivable on investments and bank balances	626,030	407,789
Advances and deposits	2,701	2,895
<b>Total assets</b>	21,036,252	25,566,262
<b>LIABILITIES</b>		
Payable to MCB Investments Management Limited - Management Company	6 30,869	27,092
Payable to Digital Custodian Company - Trustee	7 1,567	1,420
Payable to the Securities and Exchange Commission of Pakistan	8 1,600	5,022
Dividend payable	27,450	19,635
Accrued expenses and other liabilities	9 11,712	8,331
<b>Total liabilities</b>	73,198	61,500
<b>NET ASSETS</b>	<u>20,963,054</u>	<u>25,504,762</u>
<b>REPRESENTED BY</b>		
<b>UNIT HOLDERS' FUND (as per statement attached)</b>	<u>20,963,054</u>	<u>25,504,762</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	10	
	----- (Number of Units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>210,662,787</u>	<u>256,303,511</u>
	----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	<u>99.5100</u>	<u>99.5100</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements

For MCB Investment Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

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

	Note	Half Year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
(Rupees in '000)					
<b>INCOME</b>					
Markup on investments		1,017,680	281,186	565,722	198,004
Gain / (loss) on sale of investments classified as 'at fair value through profit or loss' - net		19,004	331	19,004	331
Unrealised Gain/ (loss)		5,936		(1,172)	
Mark-up on bank deposit		1,661,272	1,458,574	821,815	740,007
<b>Total Income</b>		<b>2,703,892</b>	<b>1,740,091</b>	<b>1,405,369</b>	<b>938,342</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		73,387	45,667	34,213	26,341
Sindh sales tax on remuneration of the Management Company		9,540	5,937	4,447	3,425
Allocated expenses	6.3	5,265	2,484	4,335	-
Selling and marketing expenses	6.4	35,498	6,530	22,939	-
Remuneration of Digital Custodian Company - Trustee	7.1	8,349	7,495	4,329	4,022
Sindh sales tax on remuneration of trustee		1,085	974	562	523
Annual fee of Securities and Exchange Commission of Pakistan		9,634	2,308	4,994	1,238
Auditors' remuneration		369	414	189	250
Amortization of preliminary expenses and formation costs		-	-	-	-
Charity expense		-	1,294	-	1,294
Legal and professional charges		93	81	14	14
Brokerage Settlement and bank charges		2,236	908	1,162	514
Shahriah fee		287	360	136	176
Fees and subscriptions		-	109	(2)	55
Printing and related costs		50	14	24	(17)
<b>Total expenses</b>		<b>145,795</b>	<b>74,575</b>	<b>77,344</b>	<b>37,835</b>
<b>Net income / (loss) for the period before taxation</b>		<b>2,558,097</b>	<b>1,665,516</b>	<b>1,328,025</b>	<b>900,507</b>
Taxation	11	-	-	-	-
<b>Net income / (loss) for the period</b>		<b>2,558,097</b>	<b>1,665,516</b>	<b>1,328,025</b>	<b>900,507</b>
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		2,558,097	1,665,516		
Income already paid on units redeemed		-	-		
		<b>2,558,097</b>	<b>1,665,516</b>		
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		24,940	331		
- Excluding capital gains		2,533,157	1,665,185		
		<b>2,558,097</b>	<b>1,665,516</b>		

Earnings per unit

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The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

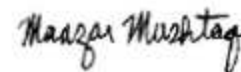
For MCB Investment Management Limited  
(Management Company)



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	2,558,097	1,665,516	1,328,025	900,507
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>2,558,097</b>	<b>1,665,516</b>	<b>1,328,025</b>	<b>900,507</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements


For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended December 31,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	25,500,070	4,692	25,504,762	11,889,529	4,692	11,894,221
<b>Issue of 423,866,289 units (2022: 368,880,291 units)</b>						
Capital value	42,178,934	-	42,178,934	36,707,278	-	36,707,278
Amount received on issuance of units	42,178,934	-	42,178,934	36,707,278	-	36,707,278
<b>Redemption of 469,507,011 units (2022: 199,675,016 Units)</b>						
Capital value	(46,720,643)	-	(46,720,643)	(19,869,661)	-	(19,869,661)
Total payments on redemption of units	(46,720,643)	-	(46,720,643)	(19,869,661)	-	(19,869,661)
Total comprehensive income / (loss) for the period	-	2,558,097	2,558,097	-	1,665,516	1,665,516
Distribution made during the period	-	(2,558,097)	(2,558,097)	-	(1,665,516)	(1,665,516)
Net income for the period less distribution	-	-	-	-	-	-
<b>Net assets at end of the period</b>	<u>20,958,362</u>	<u>4,692</u>	<u>20,963,054</u>	<u>28,727,146</u>	<u>4,692</u>	<u>28,731,838</u>
<b>Undistributed loss brought forward comprising of:</b>						
- Realised		4,692			4,692	
- Unrealised		-			-	
		<u>4,692</u>			<u>4,692</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		24,940			331	
- Relating to other than capital gains		2,533,157			1,665,185	
		<u>2,558,097</u>			<u>1,665,516</u>	
Distributions during the period		<u>(2,558,097)</u>			<u>(1,665,516)</u>	
<b>Undistributed income carried forward</b>		<u>4,692</u>			<u>4,692</u>	
<b>Undistributed loss carried forward comprising of:</b>						
- Realised		4,692			4,692	
- Unrealised		-			-	
		<u>4,692</u>			<u>4,692</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period	<u>99.5100</u>			<u>99.5100</u>		
Net assets value per unit at end of the period	<u>99.5100</u>			<u>99.5100</u>		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements

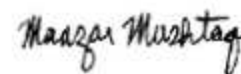
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Half Year ended December 31,	
	2023	2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period	2,558,097	1,665,516
<b>Adjustments for non cash and other items:</b>		
Mark-up on investment and bank balances	(1,017,680)	(1,739,760)
Gain on sale of investments classified as 'at fair value through profit and loss' - net	(19,004)	(331)
Unrealised Gain	(5,936)	-
	<u>1,515,477</u>	<u>(74,575)</u>
Decrease / (Increase) in assets		
Investments - net	257,223	(46,669)
Advances and deposits	194	(100)
	<u>257,417</u>	<u>(46,769)</u>
(Decrease) / Increase in liabilities		
Payable to Management Company	3,777	11,533
Payable to Digital Custodian Company - Trustee	147	895
Payable to the Securities and Exchange Commission of Pakistan	(3,421)	(481)
Dividend payable	7,815	9,170
Accrued expenses and other liabilities	3,381	(41,094)
	<u>11,699</u>	<u>(19,977)</u>
Mark-up received on balances with bank	799,440	1,508,027
<b>Net cash generated from operating activities</b>	<u>2,584,033</u>	<u>1,366,706</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	42,178,934	36,707,278
Amount paid on redemption of units	(46,720,643)	(19,869,661)
Distribution during the period	(2,558,097)	(1,665,516)
<b>Net cash generated increase / (decrease) from financing activities</b>	<u>(7,099,806)</u>	<u>15,172,101</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>(4,515,773)</u>	<u>16,538,807</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>19,015,578</u>	<u>10,688,556</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>14,499,805</u>	<u>27,227,363</u>

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The annexed notes 1 to 18 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 Money Market Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) as an open-end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. MCB Investments Management Limited is the Management Company (Wakeel) of the Fund, and Digital Custodian Company is the Trustee. The Trust Deed was executed on July 22, 2015 (modified and restated on July 17, 2020 for changing the name and category of the fund) and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 16, 2015. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above mentioned Trust Deed has 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 Non Baking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 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.
- 1.4 Being an Islamic Fund, all the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The Management Company (Wakeel) has appointed a Shariah Supervisory Council whose advice is followed to ensure that activities of the Fund are in compliance with Shariah.

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

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- 1.5 The Fund was an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 06, 2009 issued by the SECP. Securities and Exchange Commission of Pakistan (SECP) vide its letter # SCD / AMCW / MCBAHSIL / MCBPFPF /03/2020 dated July 14, 2020, has approved the conversion of MCB Pakistan Frequent Payout Fund renamed as Alhamra Islamic Money Market Fund from Asset Allocation Scheme to Islamic Money Market Scheme. The Fund was converted from forward pricing fund to backward pricing fund and NAV of August 20, 2020 is applicable NAV of August 21, 2020. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.6 The title to the assets of the Fund is held in the name of Digital Custodian Company as the Trustee of the Fund.
- 1.7 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 06, 2023 to the Management Company and stability rating of "AA+(f)" dated September 1, 2023 to 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. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, "Interim Financial Statements" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

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- 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**

These condensed interim financial statements have been presented in Pakistani rupees ('Rupees' or 'Rs.') which is the functional and presentation currency of the Fund.

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

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

The preparation of the condensed interim financial statements in conformity with the 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 Fund for the year ended June 30, 2023.



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

**3.2 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.

**3.3 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.

	<b>December 31, 2023 (Un audited)</b>	<b>June 30, 2023 (Audited)</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>4. BANK BALANCES</b>		
Current accounts	1,223,042	1,000,350
Savings accounts	4.1 <u>9,501,763</u>	<u>18,015,228</u>
	<u>10,724,805</u>	<u>19,015,578</u>

4.1 These carry mark-up rates ranging from 18.5% to 21.25% (June 30, 2023: 12.52% to 20.50%) per annum. These balances include Rs.23.180 million (June 30, 2023: Rs.40.40 million) maintained with MCB Bank Limited (a related party). The savings accounts are held with Islamic Banks / Islamic window of the conventional bank.

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

	December 31,	June 30,
	2023 (Un-audited)	2023 (Audited)
	----- (Rupees in '000) -----	
Note		
5.1.1	3,450,000	600,000
5.1.2	2,457,717	-
5.2.1	-	2,230,000
5.2.2	1,000,000	1,000,000
5.2.3	2,775,000	2,310,000
	<u>9,682,717</u>	<u>6,140,000</u>

**5 INVESTMENTS**

**At fair value through profit or loss**

Sukuk certificates - unlisted  
GOP Ijara

**At Amortized Cost**

Bai Muejjal  
Musharika Certificate  
Term Deposit Receipts  
**Total**

**5.1 Financial assets 'through Profit and Loss**

**5.1.1 Sukuk Certificates - Unlisted**

Name of investee company	Note	As at July 01, 2023	Purchased during the period	Disposed / matured during the period	As at December 31, 2022	As at December 31, 2023			Market value		Investment as a percentage of total issue size
						Carrying value	Market value	Unrealised appreciation / (diminution)	As percentage of net assets	As percentage of total Investments	
Nisbat Mills - Sukuk	5.1.1.1	600	1,500	600	1,500	1,500,000	1,500,000	-	7.16%	15.49%	43%
JDW Sugar Mills		-	1,200	-	1,200	1,200,000	1,200,000	-	5.72%	12.39%	35%
PTCL		-	750	-	750	750,000	750,000	-	3.58%	7.75%	22%
<b>Total as at December 31, 2023 (Un-audited)</b>						<u>3,450,000</u>	<u>3,450,000</u>	<u>-</u>			
Total as at June 30, 2023 (Audited)						600,000	600,000	-			

Face value of these sukuk certificates is Rs.1,000,000 per certificate.

5.1.1.1 The terms and conditions of sukuk certificates outstanding as at December 31, 2023 are as follows:

Name of investee company	Rating	Tenure	Markup payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Nisbat Mills - Sukuk	AA	6 Months	On maturity	Unsecured	23-Nov-23	23-May-24	3 Months KIBOR (0.15%)
JDW Sugar Mills	A+	6 Months	On maturity	Unsecured	18-Dec-23	14-Jun-24	6 Months KIBOR (0%)
PTCL	AAA	6 Months	On maturity	Unsecured	20-Dec-23	20-Jun-24	6 Months KIBOR (0.2%)

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

5.1.2 Government Securities - Government of Pakistan (GoP) Ijara sukuk

Issue date	Maturity Date	face value						As at December 31, 2023		Market value as a percentage of net assets	Market value as a percentage of total investment
		As at June 30, 2023	Purchased during the period	Matured during the period	Disposed off during the period	As at December 31, 2023	Carrying Value	Market Value	Unrealized (loss)		
11-Dec-23	9-Dec-24	-	44,625	-	-	44,625	37,773	37,797	24	0.18%	0.39%
17-Apr-23	17-Apr-24	-	23,663,000	-	22,163,000	1,500,000	1,511,277	1,508,850	(2,427)	7.20%	15.58%
8-Mar-23	8-Mar-24	-	900,000	-	-	900,000	902,731	911,070	8,339	4.38%	9.41%
As at December 31, 2023							2,451,781	2,457,717	5,936		

As at June 30, 2023

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

**5.2 Financial assets at Amortized Cost**

**5.2.1 Bal Munajjal**

Name of the investee company	Rate of return per annum	Maturity	As at July 01, 2023	Purchased during the period	Matured / Sold during the period	As at Dec 31, 2023
UBL Ameen Islamic Banking	20.35%	21-Jul-23	2,230,000	-	2,230,000	-
Pak Kuwait Investment Company (Pvt.) Limited	21.35%	7-Aug-23	-	332,245,265	332,245,265	-
Pak Kuwait Investment Company (Pvt.) Limited	21.35%	7-Aug-23	-	801,973,151	801,973,151	-
Pak Kuwait Investment Company (Pvt.) Limited	21.45%	10-Aug-23	-	332,821,699	332,821,699	-
Pak Kuwait Investment Company (Pvt.) Limited	21.45%	10-Aug-23	-	803,416,849	803,416,849	-
Pak Oman Investment Company Limited	21.30%	11-Aug-23	-	712,789,633	712,789,633	-
Pak Brunei Investment Company Limited	21.30%	15-Aug-23	-	804,379,315	804,379,315	-
Pak Brunei Investment Company Limited	21.30%	15-Aug-23	-	191,812,658	191,812,658	-
UBL Ameen Islamic Banking	21.25%	7-Aug-23	-	2,400,000,000	2,400,000,000	-
UBL Ameen Islamic Banking	21.05%	25-Aug-23	-	2,250,000,000	2,250,000,000	-
Pak Kuwait Investment Company (Pvt.) Limited	21.25%	18-Sep-23	-	816,891,370	816,891,370	-
Pak Kuwait Investment Company (Pvt.) Limited	21.25%	18-Sep-23	-	234,590,013	234,590,013	-
Faysal Bank Limited	21.15%	16-Aug-23	-	2,350,000,000	2,350,000,000	-
HBL Islamic Banking	21.25%	17-Aug-23	-	2,350,000,000	2,350,000,000	-
Pak Kuwait Investment Company (Pvt.) Limited	21.25%	18-Sep-23	-	818,335,068	818,335,068	-
Pak Kuwait Investment Company (Pvt.) Limited	21.25%	18-Sep-23	-	235,019,272	235,019,272	-
Pak Oman Investment Company Limited	21.25%	15-Sep-23	-	709,640,795	709,640,795	-
Faysal Bank Limited	21.15%	23-Aug-23	-	2,325,000,000	2,325,000,000	-
Pak Kuwait Investment Company (Pvt.) Limited	21.30%	6-Nov-23	-	243,032,121	243,032,121	-
Pak Kuwait Investment Company (Pvt.) Limited	21.30%	6-Nov-23	-	551,441,096	551,441,096	-
Pak Kuwait Investment Company (Pvt.) Limited	21.30%	6-Nov-23	-	980,329,315	980,329,315	-
Pak Kuwait Investment Company (Pvt.) Limited	21.30%	7-Nov-23	-	975,453,634	975,453,634	-
Pak Oman Investment Company Limited	21.20%	10-Nov-23	-	715,132,230	715,132,230	-
UBL Ameen Islamic Banking	21.15%	10-Nov-23	-	2,750,000,000	2,750,000,000	-
Faysal Bank Limited	21.25%	19-Oct-23	-	2,800,000,000	2,800,000,000	-

**Total as at December 31, 2023**

2,230,000

27,484,303,484

27,486,533,484

Total as at June 30, 2023 (Audited)

2,230,000

2,230,000

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

**5.2.2 Musharika Certificate**

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value		
				As at July 01, 2023	Purchased during the period	Matured / Sold during the period
				(Rupees in '000')		As at December 31, 2022
First Habib Modaraba	21.00%	July 17, 2023	AA+	1,000,000	-	1,000,000
FABL Barikat Lahore	22.00%	August 17, 2023	AA	-	1,000,000	1,000,000
FABL Barikat Lahore	22.00%	September 18, 2023	AA	-	1,000,000	1,000,000
FABL Barikat Lahore	22.00%	October 18, 2023	AA	-	1,000,000	1,000,000
FABL Barikat Lahore	22.00%	November 20, 2023	AA	-	1,000,000	1,000,000
FABL Barikat Lahore	22.00%	December 20, 2023	AA	-	1,000,000	1,000,000
FABL Barikat Lahore	21.75%	January 22, 2024	AA	-	1,000,000	1,000,000
<b>Total as at December 31, 2023 (Un-audited)</b>				<b>1,000,000</b>	<b>6,000,000</b>	<b>1,000,000</b>
Total as at June 30, 2023 (Audited)				-	-	1,000,000

**5.2.3 Term deposit receipts**

Name of the investee company	Rate of return per annum	Maturity	Rating	Face value		
				As at July 01, 2023	Purchased during the period	Matured / Sold during the period
				(Rupees in '000')		As at December 31, 2023
Bank AIFalah Limited	20.60%	September 14, 2023	AA+	2,310,000	-	2,310,000
Bank AIFalah Limited	21.25%	November 3, 2023	AA+	-	2,260,000	2,260,000
Bank AIFalah Limited	21.25%	November 6, 2023	AA+	-	2,260,000	2,260,000
Bank AIFalah Limited	21.00%	February 6, 2024	AA+	-	2,775,000	2,775,000
<b>Total as at December 31, 2022 (Un-audited)</b>				<b>2,310,000</b>	<b>7,295,000</b>	<b>6,830,000</b>
Total as at June 30, 2023 (Audited)				-	-	2,310,000

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

		<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>6</b>	<b>PAYABLE TO MCB INVESTMENTS MANAGEMENT- COMPANY LIMITED</b>		
Management remuneration payable	6.1	6,984	10,946
Sindh Sales Tax payable on management remuneration	6.2	908	1,423
Sales load payable	6.3	3	14,561
Payable against selling and marketing expenses	6.4	22,937	50
Shahriah fee payable		38	112
		<u>30,869</u>	<u>27,092</u>

6.1 The management company charged management fee at the rate up to 15% 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 Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on the management company's remuneration.

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

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

**7. PAYABLE TO DIGITAL CUSTODIAN  
COMPANY LIMITED - TRUSTEE**

Remuneration payable	7.1	1,387	1,255
Sindh Sales Tax payable on remuneration payable	7.2	180	163
CDC charges		2	2
		<u>1,567</u>	<u>1,420</u>

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

7.1 The Trustee, DCCL is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is 0.065% per annum of Net Assets

7.2 Sindh Sales Tax at 13% (2022:13%) is charged on Trustee fee.

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

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

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

	<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
Note	———— (Rupees in '000) ————	———— (Rupees in '000) ————

**9. ACCRUED EXPENSES AND OTHER LIABILITIES**

- Management fee	9.1	839	839
- Sales load		3,625	3,625
Brokerage payable		36	48
Auditors' remuneration payable		359	447
Donation payable		2,849	2,297
Payable to legal advisors		442	434
Payable against redemption / conversion of units		-	9
Others		3,562	632
		<u>11,712</u>	<u>8,331</u>

9.1 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 Rs. 0.004 per unit (June 30, 2023: Rs. 0.003 per unit).

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

**10. CONTINGENCIES AND COMMITMENTS**

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

	<b>December 31, 2023 (Un audited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>———— (Rupees in '000) ————</b>	
<b>12. Cash and cash equivalents</b>		
Balances with banks	10,724,805	19,015,578
Certificates of Musharka	1,000,000	-
Term deposit receipts having original maturity of three months or less	2,775,000	2,310,000
	<u>14,499,805</u>	<u>21,325,578</u>

**13. EARNINGS/(LOSS) PER UNIT**

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



**14 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 payable to the Management Company is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

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

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

	For the half year ended December 31, 2023										
	As at July 01, 2023	Issued for cash	Bonus	Redeemed	As at December 31, 2023	As at July 01, 2023	Issued for cash	Bonus	Redeemed	As at December 31, 2023	
	(Units)							(Rupees in '000)			
<b>Associated companies</b>											
Adaniye Life Assurance Co. Ltd.	126	1,589,756	-	1,589,881	-	-	150,197	-	158,209	-	
Security General Insurance Company Ltd	-	3,046,769	-	3,046,770	-	-	303,184	-	303,184	-	
Adaniye Insurance Company Limited Window Takafal Operations	1,595,028	97,934	-	1,692,962	-	158,721	9,745	-	168,467	-	
Nisbat Paper Products Company Limited Staff Provident Fund Trust	32,226	344	-	32,570	-	3,207	34	-	3,241	-	
Security General Insurance Company Ltd Wfo-Pf	42,216	3,746	-	46,962	-	4,201	373	-	-	4,573	
Pakgen Power Limited	-	38,423,572	-	38,423,571	-	-	3,823,510	-	3,823,510	-	
Nisbat Power Limited	-	404,550	-	404,549	-	-	40,257	-	40,257	-	
<b>Key Management Personnel</b>	75,434	340,081	-	288,057	127,457	7,506	33,841	-	28,655	12,683	
<b>Mandate under discretionary portfolio services</b>	1,467	7	-	1,473	-	146	1	-	147	-	
<b>Unit holders holding - 10% or more</b>	75,387,463	6,653,253	-	6,479,864	75,560,832	7,501,804	662,065	-	664,811	7,519,058	
	For the half year ended December 31, 2022										
As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at December 31, 2022	As at July 01, 2022	Issued for cash	Bonus	Redeemed	As at December 31, 2022		
	(Units)							(Rupees in '000)			
<b>MCB Investment Limited- Management Company</b>	-	755,671	-	755,671	-	-	75,197	-	75,197	-	
<b>Associated company</b>											
Adaniye Insurance Company Limited Window Takafal Operations	-	1,484,733	-	-	1,484,733	-	147,746	-	-	147,746	
Adaniye Life Assurance Company Limited	110	6	-	116	-	11	1	-	-	12	
Adaniye Life Assurance Company Limited - Tameen	-	302,209	-	302,209	-	-	30,073	-	30,073	-	
Ryundai Nisbat Motor Private Limited Employees Provident Fund	122,681	46,705	-	169,386	-	12,208	4,648	-	-	16,856	
<b>Key management personnel</b>	27,242	766,755	-	583,045	210,952	2,711	76,300	-	58,019	20,992	
<b>Mandate under discretionary portfolio services</b>	55,482	1,833,991	-	1,781,840	107,633	5,521	182,501	-	177,311	10,711	
<b>Unit holders holding - 10% or more</b>	79,666,475	45,833,576	-	25,123,103	100,376,948	7,927,611	4,560,899	-	2,500,000	9,988,510	

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

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	—— (Rupees in '000) ——	
<b>14.2 Details of transactions with related parties / connected persons during the period</b>		
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration including indirect taxes	82,928	51,604
Marketing and selling expense	35,498	6,530
Allocated expenses	5,265	2,484
Shahriah fee	287	360
<b>Digital Custodian Company - Trustee</b>		
Remuneration of Digital Custodian Company - Trustee	8,349	7,495
Sindh sales tax on remuneration of the Trustee	1,085	974
Settlement Charges	-	241
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank charges	1	6
<b>Nishat Mills Limited - Group Company of Parent Company</b>		
Purchase 1,500 (2022:1,125) Sukuk Certificates	1,500,000	1,125,000
Mark-up on Sukuk investment	34,539	31,323
<b>14.3 Details of balances with related parties / connected persons as at period end</b>		
<b>MCB Investment Management Limited - Management Company</b>		
Management remuneration payable	6,984	10,946
Sindh sales tax payable on management remuneration	908	1,423
Payable against allocated expenses	2,134	-
Payable against selling and marketing expenses	22,937	14,561
Sales load payable	3	112
Shahriah fee payable	38	50
<b>Digital Custodian Company - Trustee</b>		
Remuneration of Digital Custodian Company - Trustee	1,387	1,255
Sindh sales tax payable on Trustee remuneration	180	163
Settlement Charges Payable	1,317	-
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	23,180	40,399
<b>Nishat Mills Limited - Group Company of Parent Company</b>		
Purchase 1,500 (2022:1,125) Sukuk Certificates	1,500,000	-
Mark-up receivable on Sukuk investment	34,539	-

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

**15 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

**Level 1:** quoted prices in active markets for identical assets or liabilities;

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

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

As at December 31, 2023 and June 30, 2023, the Fund held the following instruments measured at fair values:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>(Rupees in '000)</b>			
<b><u>December 31, 2023 (Un-audited)</u></b>				
GOP Ijara	-	2,457,717	-	2,457,717
Bai Muajjal	-	-	-	-
Musharika Certificate	-	1,000,000	-	1,000,000
Term Deposit Receipts	-	2,775,000	-	2,775,000
Sukuk certificates - unlisted	-	3,450,000	-	3,450,000
	-	9,682,717	-	9,682,717
<b><u>June 30, 2023 (Audited)</u></b>				
Sukuk certificates - unlisted	-	600,000	-	600,000
Bai Muajjal	-	2,230,000	-	2,230,000
Musharika Certificate	-	1,000,000	-	1,000,000
Term Deposit Receipts	-	2,310,000	-	2,310,000
	-	6,140,000	-	6,140,000

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

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- 15.1 During the period ended December 31, 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.

The Fund has not disclosed the fair values for other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair value.

**16 TOTAL EXPENSE RATIO**

The annualized total expense ratio of the Fund based on the current period results is 1.13% and this includes 0.16% representing government levy, SECP fee etc.

**17 GENERAL**

- 17.1 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.
- 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.

**18 DATE OF AUTHORISATION FOR ISSUE**

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


For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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