

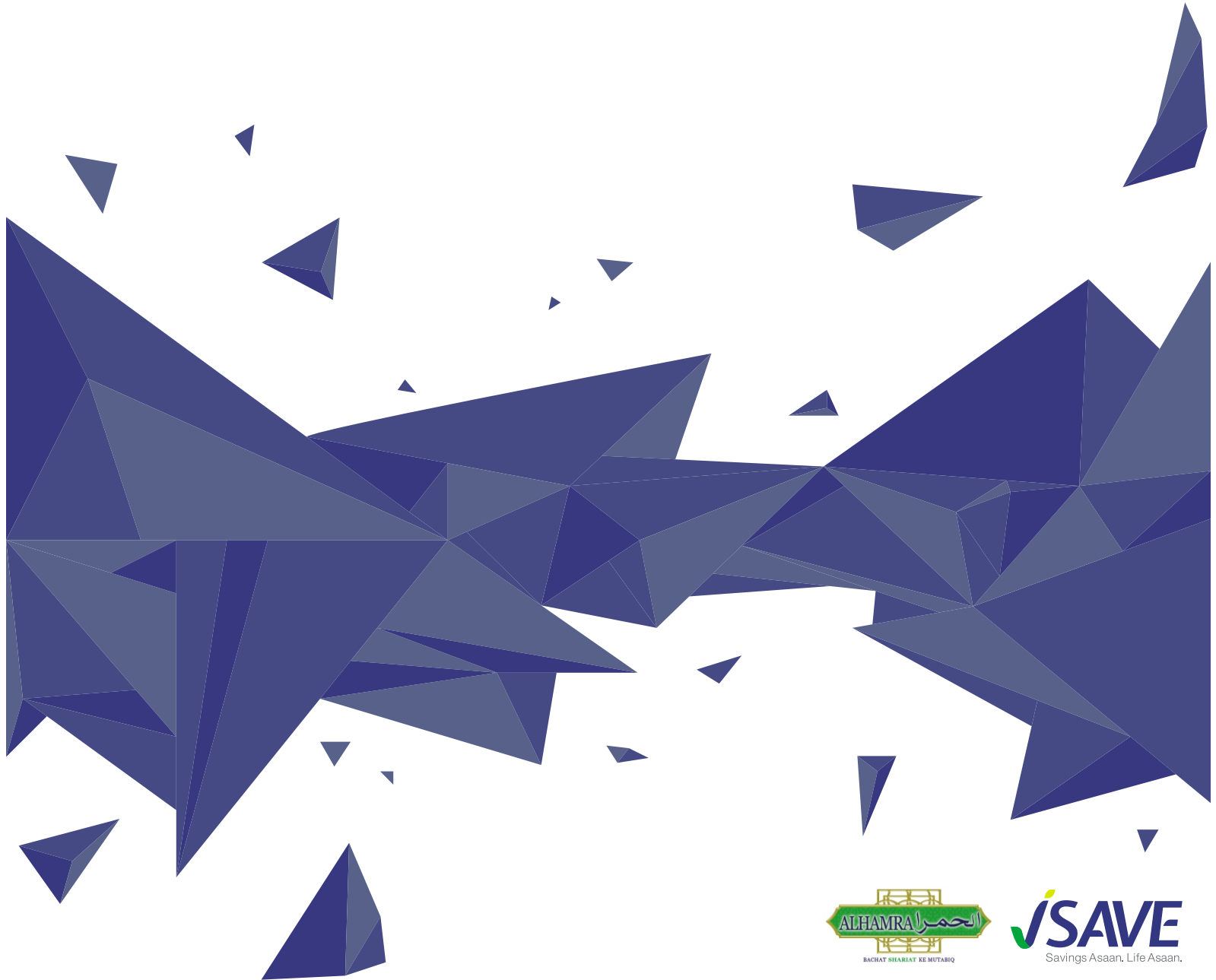


MCB FUNDS
Investments for Life

QUATERLY REPORT

MARCH
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



ALHAMRA DAILY DIVIDEND FUND

TABLE OF CONTENTS

1	Fund's Information	379
2	Report of the Directors of the Management Company	380
3	Condensed Interim Statement of Assets And Liabilities	388
4	Condensed Interim Income Statement (Un-audited)	389
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	390
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	391
7	Condensed Interim Cash Flow Statement (Un-audited)	392
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	393

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 Bank Al-Habib Limited Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Silk Bank Limited Faysal Bank Limited National Bank of Pakistan	MCB Islamic Bank Limited Askari Bank Limited Allied Bank Limited Soneri Bank Limited Al Baraka Bank Pakistan Limited Meezan Bank 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	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Daily Dividend Fund** accounts review for the nine months ended March 31, 2024.

Economy and Money Market Review

Macroeconomic indicators have been on an improving path since 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, and managed to receive timely rollovers from friendly countries. It also showed unwavering commitment to remain compliant with the IMF targets and as a result government was able to successfully reach staff level agreement with IMF in the first and second reviews. After formation of new cabinet, the government has also publicly announced its intention to seek a new IMF program of at least USD 6.0 billion after the current program expires.

The 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. This led to the reduction of the difference between open market and interbank rates, which consequently improved remittances and export proceeds. The government has been running a subdued current account balance, which along with increased clarity on the external front has led the local currency to depict strength. The USD PKR close the period at 277.9 appreciating by 2.9% since the start of the year.

Country posted a current account deficit (CAD) of USD 1.0 billion in the first eight months of the fiscal year 2024 (8MFY24) declining by 74% YoY compared to a deficit of USD 3.8 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 10.2% increase in exports coupled with an 8.8% drop in imports led to a 27.6% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 8.0 billion as of March 2024 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 27.1% during first nine months of the fiscal year compared to 27.3% 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 March 18, 2024. The Committee assessed that the level of inflation remains high and its outlook is susceptible to risks amidst elevated inflation expectations which warranted a cautious approach in the near term.

The country's GDP grew by 1.0% in the second quarter of the financial year 2023-24 as compared to 2.2% in the same period last year. Agriculture grew by 5.0%, Services remained flattish at 0.01% while industrial sector witnessed a decline of -0.84%. Historic high interest rates coupled with political uncertainty were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 30.1% in 9MFY24 to PKR 6,709 billion, outpacing the target by a modest PKR 1bn.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

FUND PERFORMANCE

During the period, ALHDDF generated an annualized return of 20.37 as compared to a return of 9.78% witnessed by the Benchmark, outperforming the benchmark by 10.59%. The Fund kept its exposure in cash at 86.7% towards the period end. The Net Assets of the fund as at March 31, 2024 stood at Rs. 18,821 million. The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 100.00.

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 2.7% in FY24 after a dismal performance last year where the GDP contracted by 0.17%. The outlook for agricultural output is optimistic, with an expected increase of 6.1%. This growth is attributed to rebound in production compared to the previous year, which was marred by heavy floods affecting crops like rice and cotton. Particularly encouraging is the notable increase in cotton arrivals, rising by 71% year-on-year to reach 8.4 million bales in the fiscal year 2024. However Industrial and services sector growth is likely to remain lackluster and will clock at 1.1% and 1.8% respectively due to overall economic slowdown amid all time high interest rates.

We expect government to enter a new long-term IMF program worth at least USD 6 billion, after the current program expires. Successful continuation of the IMF program will be a key positive as it will allow us to tap funding from bilateral and multilateral sources. 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 1.4 billion (0.4% of GDP) in FY24 and USD 3.2bn (0.8% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella.

The USD PKR is expected to remain stable as the government is focusing on improving current account deficit on the back of recovery in export and remittances. Entry into the new IMF program will also increase visibility on the external funding. We expect USD/PKR to close the fiscal year around PKR 300.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in March 2024 clocked of 20.7% which was the lowest since May 2022. The core inflation also registered a significant slowdown, clocking at 15.7% which is a low of 18 months. The inflation reading is expected to decline to 18-19% by June 2024 and 13-14% by December 2024. This will allow Monetary Policy Committee to cut interest by 2% till June 2024 and around 5-6% by December 2024.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 9.4%, a discount of 51% from its historical average of 19.1%. Similarly, Earning Yield minus Risk Free Rate is close to 9.0%, 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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

their intrinsic value. The market is currently trading at PER of 4.3x, while offering a dividend yield of 11.9%.

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 have added government bonds in Income Funds 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 48.3% during 9MFY24 to PKR 2,319 billion. Total money market funds grew by about 30.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 17.4% to PKR 556 billion while Islamic funds increased by 43.9% to PKR 618 billion. In addition, the total fixed Income funds increased by about 93.2% since June 2023 to PKR 714 billion while Equity and related funds increased by 35.3% to PKR 227 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 50.6%, followed by Income funds with 30.8% and Equity and Equity related funds having a share of 9.8% as at the end of March 2024.

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 new IMF agreement. Relatively High interest rates during the period would encourage sustained flows in the money market funds as they are ideal for investors with a short-term horizon and low risk profile. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
April 22, 2024



Manzar Mushtaq
Director
April 22, 2024

ڈائریکٹرز رپورٹ

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

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کو اُن کی محنت کے لیے خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی، 22 اپریل 2024ء

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی، 22 اپریل 2024ء

ڈائریکٹرز رپورٹ

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 9.4 فیصد ہے جو اس کے قدیم اوسط 19.1 فیصد سے 51 فیصد کمی ہے۔ اسی طرح Earning Yield سے محفوظ شرح کم کرنے پر تقریباً 9.0 فیصد کے قریب بنتا ہے، اور اس کے تاریخی اوسط 2.7 فیصد سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.3x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 11.9 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ درمیانی اور طویل مدت کے سرمایہ کار بانڈ اور انکم فنڈز سے مستفیدہ سکتے ہیں جہاں زیادہ مدت میں سود کی شرح کے مستقبل کے امکانات کی بنیاد پر سرمائے میں اضافے کے مواقع پیدا ہوں گے۔ ہم نے حکومتی بانڈز کو انکم فنڈز میں شامل کر دیا ہے تاکہ قریبی 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 کے پہلے نو ماہ کے دوران تقریباً 48.3 فیصد بڑھ کر 2,319 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2023ء سے اب تک تقریباً 30.0 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 17.4 فیصد بڑھ کر 556 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 43.9 فیصد بڑھ کر 618 بلین روپے ہو گئے۔ مزید براں، فکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 93.2 فیصد بڑھ کر 714 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 35.3 فیصد بڑھ کر 227 بلین روپے ہو گئے۔

شعبہ جاتی شراکت کے اعتبار سے مارچ 2024ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 50.6 فیصد کے ساتھ سب سے آگے تھے، جبکہ انکم فنڈز 30.8 فیصد اور ایکویٹی اور متعلقہ فنڈز 9.8 فیصد رہے

میوچل فنڈ صنعت کا نقطہ نظر

سود کی شرحوں میں کمی کی بنیاد پر بانڈ فنڈز اور ایکویٹیز، دونوں کی کارکردگی اگلے سال اچھی ہونے کا امکان ہے۔ دوران سال انکم فنڈز میں سرمایہ کاروں کی قابل ذکر دلچسپی صاف ظاہر تھی جبکہ ایکویٹی فنڈز میں آئی ایم ایف کے نئے معاہدے کے بعد بہتری متوقع ہے۔ دوران مدت نسبتاً زیادہ شروع سود سے منی مارکیٹ فنڈز میں پائیدار آمدات 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

معیشت اور مارکیٹ - مستقبل کے امکانات

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) گزشتہ سال مایوس کن کارکردگی (0.17 فیصد کمی) کے بعد مالی سال 2024ء میں متوقع طور پر بحال ہو کر 2.7 فیصد ہو جائے گی۔ زرعی پیداوار کا مستقبل امید افزا ہے اور اس میں 6.1 فیصد کی ترقی متوقع ہے کیونکہ پیداوار گزشتہ سال کے مقابلے میں بحال ہوئی ہے جب شدید سیلابوں نے چاول اور کپاس جیسی فصلوں کو بھاری نقصان پہنچایا تھا۔ خاص طور پر حوصلہ بخش بات کپاس کی پیداوار میں قابل ذکر اضافہ ہے جو 71 فیصد سال در سال (YoY) بڑھ کر مالی سال 2024ء میں 8.4 ملین گانٹھیں ہو گئی۔ تاہم صنعت اور خدمات کے شعبوں کی ترقی کی ترقی کی ترقی کا امکان ہے جو بالترتیب 1.1 فیصد اور 1.8 فیصد ہوگی، اور اس کے عوامل مجموعی طور پر معاشی سست رفتاری اور سود کی شرحوں کی بلند ترین سطحیں ہیں۔

ہمیں امید ہے کہ حکومت آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6 بلین ڈالر مالیت ایک نئے طویل المیعاد پروگرام میں داخل ہو جائے گی۔ آئی ایم ایف پروگرام کو کامیابی کے ساتھ جاری رکھنا بے حد اہمیت کا حامل ہوگا کیونکہ اس سے دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کرنے میں مدد ملے گی۔ تاہم ہماری خارجی حالت تاحال غیر یقینی کا شکار ہے کیونکہ عالمی سطح پر مشکل حالات کے باعث ہم شاید بین الاقوامی یورو بانڈ اور سنکک کا اجراء نہیں کر سکیں گے۔ علاوہ ازیں، غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے حاصل ہونے والی آمدنی موجودہ معاشی مسائل کے باعث متوقع طور پر رُک رہے گی۔ چنانچہ ہمیں اس سال ایک پائیدار قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل حل ہو سکیں۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 1.4 بلین ڈالر (جی ڈی پی کا 0.4 فیصد ہوگا)، جبکہ مالی سال 2025ء میں 3.2 بلین ڈالر (جی ڈی پی کا 0.8 فیصد) ہوگا، کیونکہ آئی ایم ایف کی چھتری تلے استحکام کی پالیسی جاری رہنے کا امکان ہے۔

ڈالر اور روپے کا تناسب مستحکم رہنے کا امکان ہے کیونکہ حکومت برآمدات اور ترسیلات میں بحالی کی بنیاد پر کرنٹ اکاؤنٹ خسارہ کم کرنے کی طرف توجہ دے رہی ہے۔ نئے آئی ایم ایف پروگرام میں داخل ہونے سے بھی خارجی محاذ پر حصولِ رقم کی صورت حال واضح ہوگی۔ ہمیں توقع ہے کہ مالی سال کے اختتام پر ڈالر اور روپے کا تناسب تقریباً 300 ہوگا۔

مہنگائی کی سطح base کے اثر اور نسبتاً مستحکم روپے کے باعث نیچے آنا شروع ہو گئی ہے۔ مارچ 2024ء میں ہیڈ لائن مہنگائی 20.7 فیصد تک پہنچ گئی تھی جو مئی 2022ء سے اب تک کم ترین عدد ہے۔ بنیادی مہنگائی بھی قابل ذکر حد تک کم ہو کر 15.7 فیصد ہو گئی جو گزشتہ 18 ماہ کی کم ترین سطح ہے۔ جون 2024ء تک مہنگائی مزید کم ہو کر 18 تا 19 فیصد اور دسمبر 2024ء تک 13 تا 14 فیصد ہو جانے کا امکان ہے۔ اس کی بدولت مانیٹری پالیسی کمیٹی جون 2024ء تک سود کو کم کر کے 2 فیصد اور دسمبر 2024ء تک تقریباً 5 تا 6 فیصد کر سکے گی۔

ڈائریکٹرز رپورٹ

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط زیر جائزہ مالی سال کے پہلے نو ماہ کے دوران 27.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 27.3 فیصد تھا۔ مہنگائی بلند تر سطح پر رہی کیونکہ گزشتہ مدتوں میں روپے کی قدر میں خطیر کمی کے باعث اشیائے خورد و نوش اور توانائی کی قیمتوں میں اضافہ ہوا۔ علاوہ ازیں، حکومت نے آئی ایم ایف کی شرائط کی تعمیل میں بجلی اور گیس کی قیمتوں میں اضافہ کیا جس کے باعث مہنگائی کے دباؤ میں بھی مزید اضافہ ہوا۔ ایس بی پی نے مانیٹری پالیسی منعقدہ 18 مارچ 2024ء میں موجودہ صورتحال برقرار رکھی۔ کمیٹی نے جائزہ لیا کہ مہنگائی کی سطح بدستور بلند ہے اور مستقبل میں اس کو خطرات لاحق ہو سکتے ہیں جس کے باعث نئی مدت میں محتاط لائحہ عمل اختیار کرنا ہوگا۔

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023-24ء کی دوسری سہ ماہی میں 1.0 فیصد ترقی ہوئی جو گزشتہ سال مماثل مدت میں 2.2 فیصد تھی۔ زراعت میں 5.0 فیصد ترقی ہوئی، خدمات کے شعبے میں معمولی 0.01 فیصد اضافہ ہوا، جبکہ صنعت میں 0.84 فیصد کمی ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ سیاسی غیر یقینی صورتحال صنعتی ماحاصل میں تنزلی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس حصولی مالی سال 2024ء کے پہلے نو ماہ میں 30.1 فیصد بڑھ کر 6,709 بلین روپے ہو گئی، جو ہدف سے 1 بلین روپے زیادہ ہے۔

فنڈ کی کارکردگی

دوران مدت فنڈ کا ایک سال پر محیط منافع 20.37 فیصد تھا، جو مقررہ معیار 9.78 فیصد سے 10.59 فیصد زیادہ ہے۔ فنڈ کی سرمایہ کاری اختتام مدت کے قریب نقد میں 86.7 فیصد تھی۔

31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 18,821 ملین روپے تھے، جبکہ net اثاثہ جاتی قدر (این اے وی) فی یونٹ 100.00 روپے تھی۔

بورڈ آف ڈائریکٹرز کی جانب سے الحمراء ڈیلی ڈیویڈنڈ فنڈ کے اکاؤنٹس نو ماہ مختتمہ 31 مارچ 2024ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مجموعی معاشی اشارے سال کے آغاز سے بہتری کی جانب گامزن رہے۔ حکومت نے جون 2023ء میں آئی ایم ایف کا بے حد مطلوب 3 بلین ڈالر کا اسٹینڈ بائے اگریمنٹ (ایس بی اے) حاصل کر لیا اور دوست ممالک سے بروقت rollovers بھی حاصل کر لیے۔ علاوہ ازیں، آئی ایم ایف کے اہداف کی تعمیل جاری رکھنے کے غیر متزلزل عزم کے نتیجے میں حکومت آئی ایم ایف کے ساتھ پہلے اور دوسرے جائزوں میں اسٹاف لیول معاہدے تک پہنچنے میں بھی کامیاب ہو گئی۔ مزید برآں، حکومت نے نئی کابینہ کی تشکیل کے بعد حکومت نے اعلان کر دیا ہے کہ آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6.0 بلین ڈالر کا نیا پروگرام حاصل کرنے کا ارادہ ہے۔

نگراں حکومت نے روپے پر قیاسی دباؤ کا سامنا کرنے کے بعد ستمبر 2023ء میں ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے غیر قانونی استعمال کے خلاف فیصلہ کن اقدام اٹھائے جس کی بدولت زرمبادلہ کی شرح تیزی سے بحال ہوئی۔ اس کے نتیجے میں اوپن مارکیٹ اور انٹر بینک شرحوں کے درمیان فرق میں کمی ہوئی جس کی بدولت ترسیلات زر اور برآمدات میں بہتری آئی۔ حکومت کرنٹ اکاؤنٹ بیلنس کو کم کر رہی ہے، جس نے خارجی محاذ پر واضح صورت حال کے ساتھ ساتھ مقامی کرنسی کی مضبوطی ظاہر ہو رہی ہے۔ اختتام مدت پر ڈالر اور روپے کا فرق 277.9 تھا، جو آغاز سال کے مقابلے میں 2.9 فیصد زیادہ ہے۔

مالی سال 2024ء کے پہلے آٹھ ماہ میں ملک کا کرنٹ اکاؤنٹ کا خسارہ (سی اے ڈی) 1.0 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 3.8 بلین ڈالر کے مقابلے میں 74 فیصد (سال در سال) کمی ہے۔ CAD میں کمی کی سب سے بڑی وجہ کاروباری خسارے میں کمی ہے۔ برآمدات میں 10.2 فیصد اضافہ اور درآمدات میں 8.8 فیصد کمی کی بدولت کاروباری خسارے میں 27.6 فیصد کمی ہوئی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زرمبادلہ کے ذخائر، جو گزشتہ مالی سال کے اختتام پر 4.4 بلین ڈالر تھے، آئی ایم ایف، دوست ممالک اور کثیر الجہتی ذرائع سے آمدات کی بدولت بڑھ کر مارچ 2024ء تک 8.0 بلین ڈالر ہو گئے جس کی بدولت ملک کی خارجی صورت حال میں بہتری آئی۔

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2024**

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	16,366,667	1,872,888
Investments	5	2,050,000	1,000,000
Mark-up, advance and other receivables		450,912	167,980
Total assets		18,867,579	3,040,868
LIABILITIES			
Payable to the Management Company		22,297	8,129
Dividend payable		24,418	3,091
Accrued expenses and other liabilities	8	5	39,017
Total liabilities		46,720	50,237
NET ASSETS		18,820,859	2,990,631
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		18,820,859	2,990,631
Contingencies and commitments	9		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		188,208,590	29,906,314
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		100.0000	100.0000

The annexed notes from 1 to 17 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2024**

	Note	Nine months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----					
INCOME					
Mark up on:					
Balances with banks		723,738	359,298	509,193	79,328
Investments		148,429	97,399	84,345	50,153
Total income		872,167	456,697	593,538	129,481
EXPENSES					
Remuneration of the Management Company 7.1		21,141	14,122	10,077	4,510
Sindh sales tax on remuneration of the Management Company		2,748	1,836	1,310	585
Allocated expenses		3,519	898	2,803	-
Selling and marketing expenses		22,335	15,559	14,752	7,145
Brokerage Expense Money Market Transactions		5	2	-	1
Total expenses		49,748	32,417	28,942	12,241
Net income for the period before taxation		822,419	424,280	564,596	117,240
Taxation	10	-	-	-	-
Net income for the period		822,419	424,280	564,596	117,240
<i>Allocation of net income for the period:</i>					
Net income for the period		822,419	424,280		
Income already paid on units redeemed		-	-		
		822,419	424,280		
<i>Accounting income available for distribution:</i>					
- Relating to capital gains		-	-		
- Excluding capital gains		822,419	424,280		
		822,419	424,280		
Earnings per unit	11				

The annexed notes from 1 to 17 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024**

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	822,419	424,280	564,596	117,240
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	822,419	424,280	564,596	117,240

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2024

Note	Nine Months Ended March 31, 2024			Nine Months Ended March 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	2,990,631	-	2,990,631	7,652,101	-	7,652,101
Issuance of 359,128,176 (2023: 89,046,479) units						
- Capital value (at net asset value per unit at the beginning of the period)	35,912,818	-	35,912,818	8,904,648	-	8,904,648
- Element of income	-	-	-	-	-	-
	<u>35,912,818</u>	-	<u>35,912,818</u>	<u>8,904,648</u>	-	<u>8,904,648</u>
Redemption of 200,825,900 (2023: 135,510,023) units						
- Capital value (at net asset value per unit at the beginning of the period)	(20,082,590)	-	(20,082,590)	(13,551,002)	-	(13,551,002)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'	-	-	-	-	-	-
- Refund / (adjustment) on units as element of income	-	-	-	-	-	-
	<u>(20,082,590)</u>	-	<u>(20,082,590)</u>	<u>(13,551,002)</u>	-	<u>(13,551,002)</u>
Total comprehensive income for the period	-	822,419	822,419	-	424,280	424,280
Distribution during the period	-	(822,419)	(822,419)	-	(424,280)	(424,280)
Net income for the period less distribution	-	-	-	-	-	-
Net assets at end of the period	<u>18,820,859</u>	-	<u>18,820,859</u>	<u>3,005,747</u>	-	<u>3,005,747</u>
Undistributed income brought forward comprising of:						
- Realised	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	822,419	822,419	-	424,280	424,280
Distribution during the period	-	(822,419)	(822,419)	-	(424,280)	(424,280)
Undistributed income carried forward	-	-	-	-	-	-
Undistributed income carried forward comprising of:						
- Realised	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-
	-	-	-	-	-	-
			-- (Rupees) --			-- (Rupees) --
Net assets value per unit at beginning of the period			<u>100.0000</u>			<u>100.0000</u>
Net assets value per unit at end of the period			<u>100.0000</u>			<u>100.0000</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Nine Months ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	822,419	424,280
Adjustments for non cash and other items:		
(Increase) / decrease in assets		
Mark-up, advance and other receivables	(282,932)	(110,512)
Investments	(1,050,000)	(1,360,994)
	(1,332,932)	(1,471,506)
(Decrease) / increase in liabilities		
Payable to Management Company	14,168	3,207
Dividend payable	21,327	1
Accrued expenses and other liabilities	(39,012)	(103,198)
	(3,517)	(99,990)
Net cash generated from operating activities	(514,030)	(1,147,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issuance of units	35,912,818	8,904,648
Cash paid for redemption of units	(20,082,590)	(13,551,002)
Cash distribution	(822,419)	(424,280)
Net cash generated (used) in/ from financing activities	15,007,809	(5,070,635)
Net (decrease) / increase in cash and cash equivalents	14,493,779	(6,217,851)
Cash and cash equivalents at beginning of the period	1,872,888	7,623,311
Cash and cash equivalents at end of the period	16,366,667	1,405,460

The annexed notes from 1 to 17 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 (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Daily Dividend Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited (now MCB Investment Management Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 30, 2017 consequent to which Trust Deed was executed on August 07, 2017 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.2 In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Management Company and AHCL no longer holds any shares in the Management Company. Consequently, members of the Management Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Management Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the fund is to provide a high absolute return by investing in equity and debt securities. Units are transferable and can be redeemed by surrendering to the Fund. The Fund has been categorised as "Shariah Compliant Income Scheme" by the Board of Directors of 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' on October 06, 2023 (June 30, 2023: 'AM1' dated October 6, 2022) to the Management Company and 'AA-(f)' as stability rating dated March 8, 2024 (June 30, 2023: 'AA-(f)' dated February 17, 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 Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2023. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2024 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2023, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2023.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

3.2 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 recognized prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2023.

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

There are certain 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.

3.4 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
4. BALANCES WITH BANKS	Note	----- (Rupees in '000) -----	
In current account	4.1	30,756	74,292
In saving accounts	4.2	<u>16,335,911</u>	<u>1,798,596</u>
		<u>16,366,667</u>	<u>1,872,888</u>

4.1 Current account is maintained with MCB Bank Limited, a related party.

4.2 These carry profit at the rates ranging from 18.50% to 21.30% (June 30, 2023: 12.52% to 20.25%) per annum. These include a balance of Rs. 9,663 (June 30, 2023: Rs. 0.111) million held with MCB Islamic Bank Limited, a related party.

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
5. INVESTMENTS		----- (Rupees in '000) -----	
At fair value through profit or loss			
Investment In Term Deposit Receipts		-	445,000
Investment In Bi Muajjal	5.1	-	280,000
Unlisted Debt Securities - Sukuk	5.2	<u>2,050,000</u>	<u>275,000</u>
		<u>2,050,000</u>	<u>1,000,000</u>

5.1 Bai Muajjal - at fair value through profit and loss

Name of the investee company	Rating of investee company	Issue Date	Profit rate	Face value				As at March 31, 2024		Market value as a percentage of	
				As at July 01, 2023	Purchased during the period	Matured / Sold during the period	As at March 31, 2024	Carrying value	Market value	net assets	total investments
Pak Kuwait Investment Company (Private) Limited	AAA	May 18, 2023	23.42%	-	243,175	243,175	-	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	AA+	May 18, 2023	23.42%	-	243,604	243,604	-	-	-	-	-
Total as at March 31, 2024 (Un-audited)											
Total as at June 30, 2023 (Audited)								280,000	280,000		

5.2 Unlisted Debt Securities - Sukuk

Particulars	Rating of investee company	Issue Date	Profit rate	As at July 01, 2023	Purchased during the period	Disposed / matured during the period	As at March 31, 2024	Balance as at March 31, 2024			Market value as a percentage of	
								Carrying value	Market value	Unrealised appreciation	net assets	total investments
Nishat Mills Limited	AA	23-Feb-24	21.85%	275		275	-	-	-	-	-	-
Nishat Mills Limited	AA	23-Nov-23	21.85%		250		250	250,000	250,000	-	0.01	0.12
JDW Sugar Mills Limited	A-1	18-Dec-23	22.41%		400		400	400,000	400,000	-	0.02	0.20
JDW Sugar Mills Limited	A-1	15-Feb-24	22.23%		750		750	750,000	750,000	-	0.04	0.37
Pakistan Telecommunication Company Limited	A-1+	20-Dec-23	21.64%		350		350	350,000	350,000	-	0.02	0.17
Short Term Sukuk - Ismail Industries	A1	13-Feb-24	21.87%		300		300	300,000	300,000	-	0.02	0.15
Total as at March 31, 2024 (Un-audited)								<u>2,050,000</u>	<u>2,050,000</u>	-		
Total as at June 30, 2023 (Audited)								<u>275,000</u>	<u>275,000</u>	-		

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

5.2.1 The terms and conditions of sukuk certificates outstanding as at March 31, 2024 are as follows:

Name of investee company	Rating	Tenure	Markup payments / principal redemptions	Secured / unsecured	Issue date	Maturity date	Rate of return
Nishat Mills Limited	AA	6 Months	On maturity	Unsecured	23-Nov-23	23-May-24	3 Months KIBOR (0.15%)
JDW Sugar Mills Limited	A-1	6 Months	On maturity	Unsecured	18-Dec-23	14-Jun-24	6 Months KIBOR (0.90%)
JDW Sugar Mills Limited	A-1	6 Months	On maturity	Unsecured	15-Feb-24	15-Aug-24	6 Months KIBOR (0.80%)
Pakistan Telecommunication Company Limited	A-1+	6 Months	On maturity	Unsecured	20-Dec-23	20-Jun-24	6 Months KIBOR (0.20%)
Short Term Sukuk - Ismail Industries	A1	6 Months	On maturity	Unsecured	13-Feb-24	13-Aug-24	6 Months KIBOR (0.50%)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

6. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	March 31 2024	June 30, 2023
	----- (Rupees in '000) -----	
Remuneration payable	5,154	1,600
Sales tax on remuneration payable	670	208
Back office operation payable	1,435	-
Marketing & selling payable	14,751	5,739
Sale load payable	287	582
	<u>22,297</u>	<u>8,129</u>

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 up to 20% of the gross earnings of the scheme calculated on a daily basis during the period. The remuneration is payable to the Management Company monthly in arrears.

Sindh sales tax on remuneration of the management company has been charged at the rate of 13%.

The Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, 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.

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 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 from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to from 0.02% to 0.075% of net assets. 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.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Brokerage Payable Money Market	5	5
Payable against redemption of units	-	-
Other Payable	-	39,012
	<u>5</u>	<u>39,017</u>

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2024 (June 30, 2023: Nil).

10. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether 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.

11. EARNINGS PER UNIT

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

12. INTERIM DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of Trust Deed and 5.1 of the Offering Document. During the period, the Management Company on behalf of the Fund, have distributed net profit amounting to Rs. 822.419 million (March 31, 2023: Rs. 424.280 million) as dividend and that dividend has been re-invested after deducting applicable taxes in the form acceptable by SECP that may qualify under tax laws. The SECP has approved the above arrangement vide letter No. SCD/AMCW/MCB/HSIL/ADDF/297/2018 dated March 13, 2018.

13. 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, MCB Islamic Bank Limited (being 100% subsidiary of the Holding Company), the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	(Un-audited)	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
13.2 Transactions during the period:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	23,889	15,958
Allocated expenses	3,519	898
Selling and marketing expenses	22,335	15,559
MCB Islamic Bank Limited - Group / associated company		
Profit on balance with bank	416,315	96
	(Un-audited)	(Audited)
	March 31, 2024	June 30, 2023
	----- (Rupees in '000) -----	
13.3 Balances outstanding at period end:		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	5,154	1,600
Sale tax payable on remuneration payable	670	208
Allocated expense payable	1,435	-
Receivable from management company	24	12
Marketing and selling payable	14,751	5,739
Sale Load payable	287	582
MCB Bank Limited - Group / associated company		
Bank balance *	30,756	42,964
Other receivable	15	15
MCB Islamic Bank Limited - Group / associated company		
Bank balance	9,663,751	111
Pakgen Power Limited		
Dividend payable	2,667	-
Adamjee Insurance Company Limited Window Takaful Operations - Group / associated company		
Dividend payable	0.010	7
Nishat Power Limited		
Dividend payable	2,610	-
Key management personnel		
Dividend payable	5	1
Unit Holder Holding 10% or more		
Dividend payable	-	134

* This represents a balance held in current account.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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

13.1 Unit Holders' Fund

	For the Nine Months ended March 31, 2024 (Un-Audited)							
	As at July 01, 2023	Issued for cash / conversion in / transferred in / Dividend	Redeemed / conversion out / transfer	As at March 31, 2024	As at July 01, 2023	Issued for cash / conversion in / transferred in / Dividend Reinvested	Redeemed / conversion out / transfer out	Amount outstanding as at March 31, 2024
	----- (Units) -----				----- (Rupees in '000) -----			
Group / associated company								
Adamjee Insurance Company Limited Window Takaful Operations	166	22	-	188	17	2	-	19
Pakgen Power Limited	-	53,162,739	3,500,000	49,662,739	-	5,316,274	350,000	4,966,274
Nishat Power Limited	-	51,606,305	3,000,000	48,606,305	-	5,160,631	300,000	4,860,631
Key management personnel*	28,284	1,128,416	1,056,464	100,236	2,828	112,842	105,646	10,024
Mandate under Discretionary Portfolio	483	2	485	0	48	0	49	0

* This reflects the position of related party / connected persons status as at March 31, 2024.

	For the Nine Months ended March 31, 2023 (Un-Audited)							
	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer	As at March 31, 2023	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at March 31, 2023
	----- (Units) -----				----- (Rupees in '000) -----			
Mcb-Arif Habib Savings And Investments Limited	-	3,178,567	3,178,567	-	-	317,857	317,857	-
Group / associated company								
Hyundai Nishat Motor Private Limited Employees Provident Fund	198,174	101,212	299,386	-	19,817	10,121	29,939	-
Adamjee Insurance Company Limited Window Takaful Operations	147	13	-	160	15	1	-	16
Key management personnel*	129,970	1,247,474	1,352,643	24,801	12,997	124,747	135,264	2,480
Mandate under Discretionary Portfolio	2,088,049	1,427,792	3,515,373	468	208,805	142,779	351,537	47

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

14. TOTAL EXPENSE RATIO

The annualized total expense ratio (TER) of the Fund based on the current period results is 1.18 % (March 31, 2023: 1.05 %) which includes 0.06 % (March 31, 2023: 0.05 %) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

15. GENERAL

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

15.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there were no material reclassifications to report.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

16.1 Fair Value Hierarchy

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

Level 1: quoted prices 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).

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 22, 2024 by the Board of Directors of the Management Company.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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