



MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

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FUND'S INFORMATION

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| Management Company | MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi. | |
| Board of Directors | Mr. Haroun Rashid Mr. Muhammad Nauman Chughtai 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 Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai | 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 | Digital Custodian Company Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co | |
| Bankers | MCB Bank Limited Dubai Islamic Bank Limited | |
| Auditors | BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi | |
| Legal Advisor | Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi | |
| Rating | AM1 Asset Manager Rating assigned by PACRA | |
| Transfer Agent | MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi. | |

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Smart Portfolio Fund's** accounts review for the half-year ended December 31, 2024.

Economy Review

The fiscal year began on a positive note with the government securing a staff-level agreement with the IMF for a 37-month Extended Fund Facility (EFF) worth approximately USD 7.0 billion. After Pakistan fulfilled all the required preconditions the IMF Executive Board approved the program on September 27, 2024. Subsequently, the State Bank of Pakistan (SBP) received the first tranche of USD 1.0 billion, bolstering foreign exchange reserves and lending support to the the currency as the USD/PKR parity remained stable around 278.5 during the first half of the fiscal year.

The country posted a current account Surplus of USD 1.2bn in the first six months of the fiscal year 2025 (1HFY25) compared to a deficit of USD 1.4bn in the corresponding period last year. The major contributor towards improving current account was the remittances inflows which skyrocketed by 32.8% to USD 4.4bn. Trade Deficit increased by 12.6% YoY as exports rose by 7.2% while imports increased by 9.3% from a low base. The county's external position improved with SBP's foreign exchange reserves increasing to USD 11.7bn as of Dec-24 end compared to USD 9.4bn at the end of last fiscal year. This was on account of current account surplus and flows from IMF and multilateral sources.

Headline inflation represented by CPI averaged 7.3% during 1HFY25 compared to 28.8% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year, which led to stable food and energy prices. Additionally, the large decline in wheat prices and base effect further contributed to the lower inflation figures.

The country's GDP grew by 0.9% in the first quarter of the financial year 2024-25 as compared to 2.3% in the corresponding period last year. Agriculture grew by 1.2%, Services sector grew by 1.4% while industrial sector witnessed a decline of 1.0%. Historic high interest rates and political uncertainty were the major culprits behind the subdued industrial output. On the fiscal side, FBR tax collection increased by 25.9% in 1HFY25 to PKR 5,623 billion, missing the target by PKR 386 billion. The shortfall is largely attributed to reduced tax collection from imports due to a slowdown in trade, sluggish growth and low inflation.

Equity Market Review

KSE-100 Index delivered a stellar performance in the first half of the fiscal year, reaching a new all-time high of 116,169 points. The performance was driven by multiple catalysts, including inflation figures falling to a 80-month low and 900bps interest rate cut by the State Bank of Pakistan (SBP). Additionally, the IMF

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Board's approval of the USD 7 billion Extended Fund Facility (EFF) provided clarity on the external front and bolstered investor confidence. Furthermore, the foreign currency deposits rollover by friendly countries and consecutive monthly current account surplus provided additional impetus to the rally. Some market volatility was observed in the month of December 24, causing the index to settle at 115,126 points, an increase of 36,682 points or 46.8%.

During 1HFY25, Foreign investors were net sellers with an outflow of USD 186.8 million. The massive selling was on account FTSE rebalancing related outflow as Pakistan was reclassified from Secondary Emerging to Frontier market status. This selling was mainly absorbed by Mutual Funds, Corporates and Individuals with inflow of USD 182.7 million, USD 26.7 million, and USD 26.3 million.

On activity front, average trading volumes for KSE-All Index improved by 54.8% to 686.3 million shares compared to about 443.3 million shares in the preceding half. While the average trading value during the period saw an increase of 65.6% over previous half to near USD 99 million.

E&P, Fertilizer, and Banking sector were the major contributors to the index gain adding 8,280/7,798/7,227 points, respectively. Attractive dividend yield amid monetary easing garner investors interest in Banking & Fertilizer sector. While E&P sector also remained in the limelight due to surprise 800% bonus announcement by MARI and improvement in the liquidity position of circular debt linked companies. On the other hand, the power sector contributed a negative 404 points as the government has renegotiated or terminated contracts with Independent Power Producers (IPPs).

FUND PERFORMANCE

During the period under review, the fund posted a return of 16.85% against 16.16% for the benchmark. The fund was 3.1% invested in Cash, 25.1% in Alhamra Islamic Stock Fund and 71.8% in Alhamra Islamic Income Fund as at December 31, 2024.

The Net Assets of the Fund as at December 31, 2024 stood at Rs. 176 million as compared to Rs. 139 million as at June 30, 2024 registering an increase of 26.62%

The Net Asset Value (NAV) per unit as at December 31, 2024 was Rs. 150.6293 as compared to opening NAV of Rs. 128.9095 per unit as at June 30, 2024 an increase of Rs. 21.7198 per unit.

Economy & Market – Future Outlook

Pakistan's GDP growth is projected to inch up to 2.8% in FY25, compared to 2.5% last year. The industrial and services sectors are expected to expand by 3.1% and 3.0%, respectively, driven by a gradual recovery in

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demand and the base effect. However, agricultural growth is likely to remain modest at 2.2%, constrained by the high base effect and flood-related damage to the cotton crop.

The continuation 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 13.5bn by year end on the back of flows from friendly countries, IMF and multilateral agencies. Pakistan is on track to record the first annual surplus since FY11 on the back of rebound in exports and remittances along with controlled imports. We expect a current account surplus of USD 2.1bn (0.5% of GDP) in FY25 compared to deficit of USD 681mn (0.2% of GDP) in FY24. We are of the view that improvement in exports and remittances and increased comfort on the external will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close June 25 around 280.8.

The inflation reading has come down sharply mainly due to base effect and stable currency. The headline inflation number in December 2024 clocked in at 4.1% compared to a high of 38.0% in May 2023. This was the lowest reading in the last 80 months. The core inflation also remained on a declining trajectory, clocking at 9.2% (34 months low). We anticipate CPI to average around 6.1% in FY25 compared to 23.9% in FY24. The SBP has decreased interest rates by a cumulative 900bps since June-24 as interest rates have declined to 13.0% from a high of 22.0%. We believe after an interest rate cut of further 100bps, monetary policy committee may pause the easing cycle to evaluate the monetary transmission effect of the interest rate decline. In our base case, we have assumed the interest rate may remained anchored at 12.0% in near term. We do not rule out further rate cuts with lower than expected inflation along with a strong build up in Forex Reserves.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 13.3%, a discount of 28.4% from its historical average of 18.6%. 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 a forward Price to Earnings ratio of 6.9x, while offering a dividend yield of 8.2%. For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year.

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 68.1% during 1HFY25 to PKR 4,326bn. Total money market funds grew by about 45.8% since Jun-24. Within the money market sphere, conventional funds showed a growth of 85.9% to PKR 1,170bn while Islamic funds increased by 8.7% to PKR 738bn. In addition, the total fixed Income and Fixed Rate funds increased by about 96.5% since Jun-24 to PKR 1,889bn while Equity and related funds increased by 80.9% to PKR 462bn.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2024

In terms of the segment share, Money Market funds were the leader with a share of around 44.1%, followed by Income and fixed return funds with 43.7% and Equity and Equity related funds having a share of 10.7% as at the end of December 2024.

Mutual Fund Industry Outlook

Money market funds should benefit from higher liquidity as they are ideal for investors with a short-term horizon and low risk profile. As economic recovery gains further traction and becomes more broad based, the interest in capital markets particularly equities will continue to remain strong. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

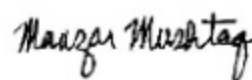
ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
February 04, 2025



Manzar Mushtaq
Director
February 04, 2025

ڈائریکٹرز رپورٹ

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے شکریہ ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء



خواجہ غیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

فیصد ہو گئے ہیں۔ ہم سمجھتے ہیں کہ شرح سود میں مزید 100 بی پی ایس کی کمی کے بعد مانیٹری پالیسی کمیٹی اس کمی کی مالیاتی منتقلی کے اثر کو جانچنے کے لیے تسہیل کے چکر کو کچھ عرصے کے لیے روک سکتی ہے۔ ہمارے base کے معاملے میں ہم فرض کر رہے ہیں کہ شرح سود مستقبل قریب میں 12.0 فیصد پر چھکی رہے گی، تاہم متوقع سے کم مہنگائی اور زرمبادلہ کے ذخائر میں بھرپور بڑھوتری کے ساتھ شرح سود میں مزید کمی خارج از امکان نہیں ہے۔

کیپٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر مارکیٹ میں تاحال سستے تخمینوں پر تجارت ہو رہی ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب 13.3 فیصد ہے، جو اس کے پرانے اوسط 18.6 فیصد سے 28.4 فیصد کی ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا خوردبینی منظر اہمیت کا حامل رہے گا، اور سرمایہ کاری کے انتخاب کے معاملے میں ایسی کمپنیوں پر توجہ مرکوز کرنی چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں لاگت کا آمدنی کے ساتھ تناسب 6.9 گنا چل رہا ہے، جبکہ ڈیویڈنڈ سے ہونے والا منافع 8.2 فیصد ہے۔

میوچل فنڈ صنعت کا جائزہ

اوپن۔ اینڈ میوچل فنڈ صنعت کے نیٹ اثاثہ جات مالی سال 2025ء کے نصف اول کے دوران تقریباً 68.1 فیصد بڑھ کر 4,326 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز میں جون 2024ء کے بعد مجموعی طور پر تقریباً 45.8 فیصد ترقی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 85.9 فیصد بڑھ کر 1.170 بلین روپے ہو گئے جبکہ اسلامک فنڈز 8.7 فیصد بڑھ کر 738 بلین روپے ہو گئے۔ مزید براں، فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے مجموعی طور پر تقریباً 96.5 فیصد بڑھ کر 1,889 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 80.9 فیصد بڑھ کر 462 بلین روپے ہو گئے۔

زمرہ جاتی تقسیم کے اعتبار سے دسمبر 2024ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 44.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ انکم اور فیکسڈ ریٹ فنڈز 43.7 فیصد، اور ایکویٹی اور اس سے متعلقہ فنڈز 10.7 فیصد حصے کے ساتھ دوسرے اور تیسرے نمبر پر رہے۔

میوچل فنڈ صنعت کے مستقبل کا منظر

منی مارکیٹ فنڈز کو بہتر نقدیت سے فائدہ اٹھانا چاہیے کیونکہ یہ فنڈز ایسے سرمایہ کاروں کے لیے موزوں ترین ہوتے ہیں جو مختصر مدت کے لیے اور خسارے کے کم خطرے کے ساتھ سرمایہ کاری کرنا چاہتے ہیں۔ معاشی بحالی کے مزید تیز اور وسیع ہونے کے ساتھ کپیٹل مارکیٹوں، خصوصاً ایکویٹیز، میں بھرپور دلچسپی کا سلسلہ جاری رہے گا۔ ہمارے کام کا جہاز رکاوٹ چلتے رہے، اور ڈیجیٹل رسائی اور صارفین کو آن لائن خدمات کی فراہمی میں مسابقتی فائدہ حاصل ہونے کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے فائدہ اٹھانے کے لیے کمر بستہ ہیں۔

31 دسمبر 2024ء کو فنڈ کے نیٹ اثاثہ جات 176 ملین روپے تھے، جو 30 جون 2024ء کو 139 ملین روپے کے مقابلے میں 26.62 فیصد اضافہ ہے۔

31 دسمبر 2024ء کو فنڈ کی نیٹ اثاثہ جاتی قدر (NAV) فی یونٹ 150.6293 روپے تھی، جو 30 جون 2024ء کو ابتدائی (NAV) 128.9095 روپے فی یونٹ کے مقابلے میں 21.7198 روپے فی یونٹ اضافہ ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر

پاکستان کی 'جی ڈی پی' میں مالی سال 2025ء میں 2.8 فیصد اضافے کا امکان ہے، جو گزشتہ سال کی سطح 2.5 فیصد کے بالمقابل ہے۔ صنعتی شعبے میں 3.1 فیصد اور خدمات کے شعبے میں 3.0 فیصد ترقی متوقع ہے جس کی وجہ مانگ اور بنیادی اثر کی بتدریج بحالی ہے۔ تاہم زراعتی ترقی کا 2.2 فیصد کے درمیانے درجے پر رہنے کا امکان ہے جس کے عوامل اعلیٰ بنیادی اثر کا محدود ہونا اور کپاس کی فصل کو سیلاب کے باعث نقصان ہیں۔

آئی ایم ایف پروگرام کا تسلسل کلیدی مثبت پہلو ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ 'ایس بی پی' کے ذخائر کا دوست ممالک، آئی ایم ایف اور کثیر الجہتی ایجنسیوں سے آمدات کی بنیاد پر سال کے اختتام پر بڑھ کر 13.5 بلین ڈالر تک پہنچ جانے کا امکان ہے۔ پاکستان مالی سال 2011ء کے بعد پہلا سالانہ منافع ریکارڈ کرنے کی سمت میں رواں ہے، جس کے عوامل برآمدات اور ترسیلات میں بحالی بشمول درآمدات پر قابو ہیں۔ کرنٹ اکاؤنٹ میں مالی سال 2025ء میں 2.1 بلین ڈالر (جی ڈی پی کا 0.5 فیصد) منافع متوقع ہے، جو مالی سال 2024ء میں 681 ملین ڈالر (جی ڈی پی کا 0.2 فیصد) خسارے کے بالمقابل ہے۔ ہم سمجھتے ہیں کہ برآمدات اور ترسیلات میں بہتری اور خارجی جہت میں بڑھتے ہوئے اطمینان کی بدولت روپیہ مستقبل قریب میں مستحکم رہے گا۔ سال رواں میں روپے کی قدر میں معمولی کمی متوقع ہے اور ڈالر اور روپے کا تناسب جون 2025ء کے اختتام پر تقریباً 280.8 ہوگا۔

مہنگائی کی سطح میں تیزی سے کمی آئی ہے جس کے اہم ترین عوامل بنیادی اثر اور روپے میں استحکام ہیں۔ ہیڈ لائن مہنگائی دسمبر 2024ء میں 4.1 فیصد تک پہنچ گئی تھی، جو مئی 2023ء میں 38.0 فیصد کی بلند سطح کے بالمقابل ہے۔ یہ گزشتہ 80 ماہ کی کم ترین سطح ہے۔ بنیادی مہنگائی میں بھی کمی کا رجحان رہا جو 9.2 فیصد (34 ماہ کی کم ترین سطح) تک پہنچ گئی۔ 'سی پی آئی' کا اوسط مالی سال 2025ء میں متوقع طور پر تقریباً 6.1 فیصد ہوگا، جو مالی سال 2024ء میں 23.9 فیصد کے بالمقابل ہے۔ ایس بی پی نے سود کی شرحوں میں جون 2024ء سے اب تک مجموعی طور پر 900 بی پی ایس کمی کی ہے کیونکہ سود کی شرحیں 22.0 فیصد کی بلند سطح سے کم ہو کر 13.0

ایکویٹی مارکیٹ جائزہ

KSE-100 انڈیکس مالی سال کے نصف اول میں شاندار کارکردگی کا مظاہرہ کرتے ہوئے 116,169 پوائنٹس کی اب تک کی نئی بلند ترین سطح تک پہنچ گیا۔ اس کامیابی کے متعدد عوامل تھے، بشمول مہنگائی میں 80 ماہ کی کم ترین سطح تک کمی، اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی طرف سے شرح سود میں 900 بی پی ایس کی کمی۔ مزید برآں، آئی ایم ایف بورڈ کی 7 بلین ڈالر کی ایکسٹینڈڈ فنڈ فیسلٹی (ای ایف ایف) کی منظوری کی بدولت خارجی محاذ پر صورتحال واضح ہوئی اور سرمایہ کاروں کے اعتماد کو تقویت حاصل ہوئی۔ علاوہ ازیں، دوست ممالک سے غیر ملکی کرنسی کے ذخائر کی منتقلی اور مسلسل ماہانہ کرنٹ اکاؤنٹ منافع کی بدولت بڑھاؤ کو مزید فروغ حاصل ہوا۔ دسمبر 2024ء میں مارکیٹ میں کچھ عدم استحکام دیکھا گیا جس کے باعث انڈیکس 115,126 پوائنٹس پر پہنچ گیا، جو 36,682 پوائنٹس یعنی 46.8 فیصد اضافہ ہے۔

مالی سال 2025ء کے نصف اول کے دوران غیر ملکی سرمایہ کار ریٹ فروخت کنندگان تھے جن کے ذریعے 186.8 ملین ڈالر کا اخراج ہوا۔ اتنے بڑے حجم میں فروخت کی وجہ ایف ٹی ایس ای میں دوبارہ توازن پیدا کرنے سے متعلق اخراج تھی کیونکہ پاکستان کی درجہ بندی کو سیکنڈری ایمرجنگ سے تبدیل کر کے 'فسونیشیئر مارکیٹ' کر دیا گیا۔ اس فروخت کے خریدار زیادہ تر میوچل فنڈز، کارپوریٹس اور افراد تھے جن کے ذریعے بالترتیب 182.7 ملین ڈالر، 26.7 ملین ڈالر اور 26.3 ملین ڈالر کی آمدات ہوئیں۔

سرگرمیوں کے محاذ پر KSE-ALL انڈیکس 54.8 فیصد بڑھ کر 686.3 ملین حصص ہو گیا، جو گزشتہ نصف سال میں تقریباً 443.3 ملین حصص کے بالمقابل ہے۔ اوسط تجارتی قدر دوران مدت گزشتہ نصف سے 65.6 فیصد بڑھ کر تقریباً 99 ملین ڈالر ہو گئی۔

ای اینڈ پی، کھاد اور بینکاری کے شعبوں نے انڈیکس میں سب سے زیادہ حصہ ڈالا جو بالترتیب 8,280/7، 798/7 اور 227 پوائنٹس کا اضافہ تھا۔ ڈیویڈنڈ سے ہونے والے پُرکشش منافع اور مالیاتی تسہیل نے بینکاری اور کھاد کے شعبوں میں سرمایہ کاروں کی دلچسپی مبذول کرائی۔ ای اینڈ پی شعبہ بھی منظر عام پر رہا جس کے عوامل MARI کی جانب سے 800 فیصد بونس پوائنٹس کا غیر متوقع اعلان اور گردشی قرض سے منسلک کمپنیوں کی نقدیت کی صورتحال میں بہتری ہیں۔ دوسری جانب، بجلی کے شعبے نے منفی 404 پوائنٹس کا حصہ ڈالا کیونکہ حکومت نے بجلی کے آزاد پیدا کاروں (آئی پی پی) کے ساتھ معاہدوں میں ترمیم کر دی ہے یا ان کو ختم کر دیا ہے۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 16.85 فیصد منافع حاصل کیا جو بینچمارک ریٹرن 16.16 فیصد کے بالمقابل ہے۔ 31 دسمبر 2024ء کو فنڈ کی سرمایہ کاری نقد میں 3.1 فیصد، الحمراء اسلامک اسٹاک فنڈ میں 25.1 فیصد، اور الحمراء اسلامک انکم فنڈ میں 71.8 فیصد تھی۔

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ سمارٹ پورٹ فوئوینڈ کے اکاؤنٹس کا جائزہ برائے نصف سال مختتمہ 31 دسمبر 2024ء پیش خدمت ہے۔

معیشت کا جائزہ

مالی سال کا آغاز مثبت انداز میں ہوا کیونکہ حکومت نے آئی ایم ایف سے 37 ماہ پر مبنی ایکسٹینڈڈ فنڈ فسیلسی (ای ایف ایف) کے لیے اسٹاف-لیول معاہدہ کر لیا جس کی مالیت تقریباً 7.0 بلین ڈالر ہے۔ پاکستان کے تمام مطلوبہ شرائط پوری کرنے کے بعد آئی ایم ایف ایگزیکٹو بورڈ نے 27 ستمبر 2024ء کو پروگرام کی منظوری دی۔ بعد ازاں، اسٹیٹ بینک آف پاکستان (ایس بی پی) کو 1.0 بلین ڈالر کی پہلی قسط موصول ہوئی جس کی بدولت غیر ملکی زرمبادلہ کے ذخائر پروان چڑھے اور روپے کو سہارا ملا، جیسا کہ مالی سال کے نصف اول کے دوران روپے اور ڈالر کے مابین تناسب سے ظاہر ہے جو تقریباً 278.5 روپے کی سطح پر مستحکم رہا۔

مالی سال 2025ء کے نصف اول (ابتدائی چھ ماہ) میں ملک کا کرنٹ اکاؤنٹ 1.2 بلین روپے منافع میں رہا، جو گزشتہ سال مماثل مدت میں 1.4 بلین ڈالر خسارے کے بالمقابل ہے۔ کرنٹ اکاؤنٹ کی بہتری میں سب سے بڑا حصہ ترسیلات کا ہے جو تیزی سے 32.8 فیصد بڑھ کر 4.4 بلین ڈالر تک پہنچ گئیں۔ تجارتی خسارہ 12.6 فیصد سال در سال (YoY) بڑھ گیا کیونکہ برآمدات میں 7.2 فیصد اضافہ ہوا جبکہ درآمدات گزشتہ پست سطح سے 9.3 فیصد بڑھ گئیں۔ ملک کی خارجی صورتحال میں بہتری آئی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر بڑھ کر دسمبر 2024ء کے اختتام تک 11.7 بلین ڈالر تک پہنچ گئے، جو گزشتہ مالی سال کے اختتام پر 9.4 بلین ڈالر کے بالمقابل تھے، جس کے عوامل کرنٹ اکاؤنٹ میں منافع اور آئی ایم ایف اور کثیرالجہتی ذرائع سے آمدات ہیں۔

ہیڈ لائن مہنگائی، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط مالی سال 2025ء کے نصف اول میں 7.3 فیصد تھا، جو گزشتہ سال مماثل مدت میں 28.8 کے بالمقابل ہے۔ تیزی سے ہونے والی اس کمی کی وجہ گزشتہ ایک سال کے دوران روپے میں استحکام ہے جس کے نتیجے میں اشیائے خورد و نوش اور توانائی کی قیمتیں مستحکم ہوئیں۔ مزید برآں، گندم کی قیمتوں اور سالانہ گزشتہ کی سطح کے سال رواں پر اثر میں بھرپور کمی نے مہنگائی کم کرنے میں مزید کردار ادا کیا۔

ملک کے 'جی ڈی پی' میں مالی سال 2024-25ء کی پہلی سہ ماہی میں 0.9 فیصد ترقی ہوئی، جو گزشتہ سال مماثل مدت میں 2.3 فیصد کے بالمقابل ہے۔ زراعت میں 1.2 فیصد ترقی اور خدمات کے شعبے میں 1.4 فیصد ترقی ہوئی، جبکہ صنعتی شعبے میں 1.0 فیصد تسنؤل ہوا۔ صنعتی پیداوار میں کمی کے سب سے بڑے عوامل سود کی اب تک کی بلند ترین شرحیں اور سیاسی عدم یقینی تھے۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی مالی سال 2025ء کے نصف اول میں 25.9 فیصد بڑھ کر 5,623 بلین روپے ہو گئی، جو ہدف سے 386 بلین روپے کم ہے۔ اس کمی کے بڑے عوامل درآمدات سے حاصل ہونے والے ٹیکس میں کمی بوجہ سست رفتار تجارت، ترقی کی سست روی اور مہنگائی میں کمی ہیں۔

TRUSTEE REPORT TO THE UNIT HOLDERS



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

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

Al-Hamra Islamic Active Allocation Fund, an open-end Scheme established under a Trust Deed executed between MCB Investment Management Limited formerly MCB Arif Habib Savings and Investments Limited as Management Company and Digital Custodian Company Limited as Trustee on November 25, 2016. The scheme was approved by Securities & Exchange Commission of Pakistan on December 02, 2016.

1. MCB Investment Management Limited, the Management Company of Al-Hamra Islamic Active Allocation Fund has, in all material respects, managed Al-Hamra Islamic Active Allocation Fund during the period ended December 31, 2024 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 period ended December 31, 2024.

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.

D.K.

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TRUSTEE REPORT TO THE UNIT HOLDERS



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 12, 2025

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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 ACTIVE ALLOCATION FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Alhamra Islamic Active Allocation Fund ("the Fund") as at December 31, 2024 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 information as at and for the half year ended December 31, 2024 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended December 31, 2024 and December 31, 2023 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: 24 FEB 2025

UDIN: RR202410166E4M1TVsH5


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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

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

| | December 31, 2024 (Un-audited) Alhamra Smart Portfolio Note | June 30, 2024 (Audited) Alhamra Smart Portfolio Note |
|--|---|---|
| | (Rupees in '000) | (Rupees in '000) |
| ASSETS | | |
| Balances with banks | 4 5,402 | 3,366 |
| Investments | 5 171,407 | 136,151 |
| Mark-up receivable | 37 | 50 |
| Total assets | 176,846 | 139,567 |
| LIABILITIES | | |
| Payable to MCB Investment Management Limited - Management Company | 6 18 | 6 |
| Payable to Digital Custodian Company Limited - Trustee | 7 24 | 23 |
| Payable to the Securities and Exchange Commission of Pakistan | 8 14 | 11 |
| Accrued expenses and other liabilities | 9 477 | 589 |
| Total liabilities | 533 | 629 |
| NET ASSETS | 176,313 | 138,938 |
| REPRESENTED BY | | |
| UNIT HOLDERS' FUND (as per statement attached) | 176,313 | 138,938 |
| Contingencies and commitments | 10 | |
| | (Number of units) | |
| NUMBER OF UNITS IN ISSUE | 1,170,513 | 1,077,792 |
| | (Rupees) | |
| NET ASSET VALUE PER UNIT | 150.6293 | 128.9095 |

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

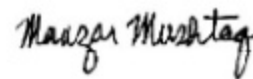
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

| | | Half Year Ended | | Quarter Ended | |
|--|---|------------------|---------------|---------------|---------------|
| | | December 31, | | December 31, | |
| | | 2024 | 2023 | 2024 | 2023 |
| | | (Un-audited) | | | |
| Alhamra Smart Portfolio | | | | | |
| Note | | (Rupees in '000) | | | |
| INCOME | | | | | |
| | Realised gain on sale of investments - net | 6,347 | 2,433 | 6,337 | 2,173 |
| | Net unrealised gain on re-measurement of investments at fair value through profit or loss | 18,343 | 19,304 | 11,678 | 13,478 |
| | Dividend income | 240 | - | 240 | - |
| | Mark-up on balances with banks | 404 | 364 | 198 | 183 |
| | Total income | 25,334 | 22,101 | 18,453 | 15,834 |
| EXPENSES | | | | | |
| | Remuneration of MCB Investments Management Limited - Management Company | 39 | 36 | 18 | 18 |
| | Sindh Sales Tax on remuneration to Management Company | 6 | 5 | 3 | 3 |
| | Remuneration of Digital Custodian Company Limited - Trustee | 126 | 126 | 62 | 63 |
| | Sindh sales tax on remuneration of the Trustee | 19 | 16 | 11 | 8 |
| | Annual fee - Securities and Exchange Commission of Pakistan | 74 | 57 | 39 | 29 |
| | Allocated expenses | - | 29 | - | - |
| | Auditors' remuneration | 337 | 332 | 179 | 202 |
| | Printing charges | 34 | 50 | 9 | 25 |
| | Settlement and bank charges | 6 | 4 | 6 | 2 |
| | Legal and professional charges | 102 | 94 | 15 | 15 |
| | Total expenses | 743 | 749 | 342 | 365 |
| | Net income for the period before taxation | 24,591 | 21,352 | 18,111 | 15,469 |
| | Taxation | - | - | - | - |
| | Net income for the period after taxation | 24,591 | 21,352 | 18,111 | 15,469 |
| Allocation of net income for the period: | | | | | |
| | Net income for the period after taxation | 24,591 | 21,352 | | |
| | Income already paid on units redeemed | (376) | (635) | | |
| | | 24,215 | 20,717 | | |
| Accounting income available for distribution: | | | | | |
| | - Relating to capital gains | 24,215 | 20,717 | | |
| | - Excluding capital gains | - | - | | |
| | | 24,215 | 20,717 | | |
| Earnings per unit | | | | | |

The annexed notes 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 OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|---------------------------------|--------|-------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | Alhamra Smart Portfolio | | Alhamra Smart Portfolio | |
| | (Rupees in '000) | | | |
| Net income for the period | 24,591 | 21,352 | 18,111 | 15,469 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 24,591 | 21,352 | 18,111 | 15,469 |

The annexed notes 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 HALF YEAR ENDED DECEMBER 31, 2024

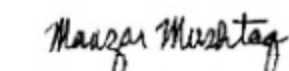
| | Half year ended December 31, | | | | | |
|--|------------------------------|----------------------|----------|-------------------------|----------------------|----------|
| | 2024 | | | 2023 | | |
| | Alhamra Smart Portfolio | | | Alhamra Smart Portfolio | | |
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| (Rupees in '000) | | | | | | |
| Net assets at the beginning of the period | 108,855 | 30,083 | 138,938 | 104,077 | 10,642 | 114,719 |
| Issue of 246,794 units (2023: 85,109 units) | | | | | | |
| Capital value | 31,814 | - | 31,814 | 8,532 | - | 8,532 |
| Element of income | 3,409 | - | 3,409 | 2 | - | 2 |
| Amount received on issuance of units | 35,223 | - | 35,223 | 8,533 | - | 8,533 |
| Redemption of 154,073 units (2023: 59,740 units) | | | | | | |
| Capital value | (19,861) | - | (19,861) | (5,989) | - | (5,989) |
| Element of income | (2,201) | (376) | (2,577) | (2) | (635) | (637) |
| Refund / (adjustment) on units as element of income | - | - | - | - | - | - |
| Amount paid / payable on redemption of units | (22,063) | (376) | (22,439) | (5,991) | (635) | (6,625) |
| Total comprehensive income / (loss) for the period | - | 24,591 | 24,591 | - | 21,352 | 21,352 |
| Distribution during the period | - | - | - | - | (10,493) | (10,493) |
| Net assets at end of the period | 122,015 | 54,298 | 176,313 | 106,620 | 20,866 | 127,486 |
| Undistributed income brought forward comprising of | | | | | | |
| - Realized income | | 13,128 | | | 10,093 | |
| - Unrealized income | | 16,955 | | | 549 | |
| | | 30,083 | | | 10,642 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | 24,215 | | | 20,717 | | |
| - Excluding capital gains | - | | | - | | |
| | 24,215 | | | 20,717 | | |
| Distribution during the period | - | | | (10,493) | | |
| Undistributed income carried forward | | 54,298 | | | 20,866 | |
| Undistributed Income carried forward comprising of | | | | | | |
| - Realized income | | 35,955 | | | 1,562 | |
| - Unrealized income | | 18,343 | | | 19,304 | |
| | | 54,298 | | | 20,866 | |
| | | (Rupees) | | | (Rupees) | |
| Net assets value per unit at beginning of the period | | 128.9095 | | | 110.3383 | |
| Net assets value per unit at end of the period | | 150.6293 | | | 119.6976 | |

The annexed notes 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 HALF YEAR ENDED DECEMBER 31, 2024

| | December 31, | |
|--|----------------------------|----------------------------|
| | 2024 | 2023 |
| | Alhamra Smart Portfolio | Alhamra Smart Portfolio |
| | (Unaudited) | |
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 24,591 | 21,352 |
| Adjustments for non cash and other items: | | |
| Mark-up on balances with banks | (404) | (364) |
| Realised gain on sale of investments - net | (6,347) | (2,433) |
| Net unrealised income on re-measurement of investments at fair value through profit or loss | (18,343) | (19,304) |
| | (25,094) | (22,101) |
| (Increase) / decrease in assets | | |
| Investments - net | (10,566) | 6,561 |
| Increase / (decrease) in liabilities | | |
| Payable to the Management Company | 12 | (11) |
| Payable to the Securities and Exchange Commission of Pakistan | 3 | (14) |
| Accrued expenses and other liabilities | (112) | 42 |
| | (97) | 17 |
| Mark-up received on balances with bank | 417 | 387 |
| Net cash flows (used in) / generated from operating activities | (10,749) | 6,216 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received on issuance of units | 35,223 | 8,533 |
| Amount paid on redemption of units | (22,439) | (6,625) |
| Final dividend paid during the period | - | (10,493) |
| Net cash flow generated from / (used) in financing activities | 12,784 | (8,585) |
| Net increase / (decrease) in cash and cash equivalents during the period | 2,036 | (2,369) |
| Cash and cash equivalents at the beginning of the period | 3,366 | 6,789 |
| Cash and cash equivalents at the end of the period | 5,402 | 4,420 |

The annexed notes 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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al-Hamra Islamic Active Allocation Fund (the Fund) was established under a Trust Deed dated, November 25, 2016, executed between MCB Investment Management Limited as Management Company and Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 02, 2016 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008). 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-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund commenced its operations from December 29, 2016. The Fund is an open-end Shariah Compliant Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP circular No. 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.
- 1.4 The duration of the Fund is perpetual however, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I) which matured on December 28, 2020. On June 16, 2017, the Fund launched Allocation Plan-II which matured on June 16, 2021. The Management Company has settled the unit holders of Plan-I and Plan-II. On June 10, 2021, the Fund launched Alhamra Smart Portfolio. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no. 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 04, 2024 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as 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 which comprises of:

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

- 2.2 The disclosures made in there condensed interim financial statements have, been limited based on the requirements of the International Accounting Standard IAS 34: 'Interim Financial Reporting'. 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, 2024.
- 2.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.
- 2.4 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that there condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2024.

2.5 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION, 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, 2024.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2024. 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, 2024.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or did not have any material effect on the Fund's operations and therefore not 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 and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2025. However, the new standards, interpretations and amendments to the approved accounting standards and not expected to have any material impact on the Fund's condensed interim financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the fund as at and for the year ended June 30, 2024.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

| | | December 31, 2024 (Un-audited) Alhamra Smart | June 30, 2024 (Audited) Alhamra Smart |
|---|--|---|--|
| | Note | ———— (Rupees in '000) ———— | |
| 4. BALANCES WITH BANKS | | | |
| In current account | 4.1 | 294 | 664 |
| In saving accounts | 4.2 | <u>5,108</u> | <u>2,702</u> |
| | | <u><u>5,402</u></u> | <u><u>3,366</u></u> |
| 4.1 | Current accounts are maintained with MCB Bank Limited, a related party. | | |
| 4.2 | These carry profit at the rate 9.50% to 17% (June 30, 2024: 17% to 18.5%) per annum. | | |
| 5. INVESTMENTS | | | |
| At fair value through profit or loss | | | |
| - Units of open-end mutual funds | | <u><u>171,407</u></u> | <u><u>136,151</u></u> |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

5 Units of open-end mutual funds

| Name of the fund | Number of units | | | | Balances as at December 31, 2024 | | | Market value as a percentage of net assets | Market value as a percentage of total investment |
|--|---------------------|-----------------------------|----------------------------|-------------------------|----------------------------------|--------------|-----------------|--|--|
| | As at July 01, 2024 | Purchased during the period | Redeemed during the period | As at December 31, 2024 | Carrying value | Market value | Unrealised gain | | |
| Alhamra Smart Portfolio with related party | | | | | | | | | |
| Alhamra Islamic Income Fund | 976,144 | 639,475 | 500,386 | 1,115,234 | 119,957 | 126,964 | 7,007 | 72.01% | 74.07% |
| Alhamra Islamic Stock Fund | 2,291,164 | 627,237 | 891,876 | 2,026,526 | 33,106 | 44,442 | 11,335 | 25.21% | 25.93% |
| Total as at December 31, 2024 (Un-audited) | | | | | 153,063 | 171,407 | 18,343 | | |
| Total as at June 30, 2024 (Audited) | | | | | 119,196 | 136,151 | 16,955 | | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

| | | December 31, 2024 (Un-audited) | June 30, 2024 (Audited) |
|---|--------------------------------|---|--|
| | Alhamra Smart Portfolio | | |
| | Note | —Rupees in '000— | |
| 6. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED- MANAGEMENT COMPANY | | | |
| Management remuneration payable | 6.1 | 4 | 5 |
| Sindh sales tax payable on management remuneration | 6.2 | 1 | 1 |
| Sales load payable | | 13 | - |
| | | <u>18</u> | <u>6</u> |
| 6.1 The Management Company charged management fee at the rate of up to 10% on accrued bank mark-up calculated on daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears. | | | |
| 6.2 Sales tax on management remuneration has been charged at the rate of 15% (June 30,2024: 13%). | | | |
| 7. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE | | | |
| Trustee remuneration | | 21 | 20 |
| Sales tax payable on trustee remuneration | | 3 | 3 |
| | | <u>24</u> | <u>23</u> |
| 8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | | |
| In accordance with the NBFC Regulations 2008, CIS is required to pay annual fee to the SECP on annual basis at the rate of 0.095% of average Net Assets of CIS calculated on daily basis. | | | |
| 9. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 315 | 510 |
| Payable to legal advisor | | 48 | 39 |
| Others | | 114 | 40 |
| | | <u>477</u> | <u>589</u> |
| 10. CONTINGENCIES AND COMMITMENTS | | | |
| There were no contingencies and commitments outstanding as at December 31, 2024 (June 30, 2024: 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 realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore, no provision for taxation has been made in these condensed interim financial statements during the period. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

12. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

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, 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, 2024**

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

| For the half year ended December 31, 2024 (Un-audited) | | | | | |
|--|---|---|-------------------------------|--|---|
| As at July 01, 2024 | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out | As at December 31, 2024 | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out |
| ----- (Number of units) ----- | | | ----- (Rupees in '000) ----- | | |
| 13.1 Unit Holders' Fund | | | | | |
| Alhamra Smart Portfolio | | | | | |
| Group / associated companies | | | | | |
| MCB Investment Management Limited | 970,545 | - | 970,545 | 125,112 | - |
| | | | | | 146,193 |

| For the half year ended December 31, 2023 (Un-audited) | | | | | |
|--|---|---|-------------------------------|--|---|
| As at July 01, 2023 | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out | As at December 31, 2023 | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out |
| ----- (Number of units) ----- | | | ----- (Rupees in '000) ----- | | |
| Alhamra Smart Portfolio | | | | | |
| Group / associated companies | | | | | |
| MCB Investment Management Limited | 865,359 | 74,051 | 939,410 | 95,482 | 112,271 |
| | | | | | 112,445 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

| | December 31, 2024 (Un audited) Alhamra Smart Portfolio | December 31, 2023 (Un audited) Alhamra Smart Portfolio |
|---|--|--|
| | —Rupees in '000— | |
| | | |
| 13.2 Transactions during the period: | | |
| MCB Investment Management Limited - Management Company | | |
| Remuneration of the Management Company | 39 | 36 |
| Sindh sales tax on remuneration of the Management Company | 6 | 5 |
| Allocated expense | - | 29 |
| Digital Custodian Company Limited - Trustee | | |
| Remuneration of the Trustee | 126 | 126 |
| Sindh sales tax on remuneration of Trustee | 19 | 16 |
| Alhamra Islamic Stock Fund | | |
| Purchase of 627,237 units by the Fund (2023: NIL) | 12,352 | - |
| Sale of 891,876 units by the fund (2023: 697,311 units) | 17,325 | 8,363 |
| Net Dividend Received | 217 | - |
| Alhamra Islamic Income Fund | | |
| Purchase of 639,475 units by the Fund (2023 : 76,066 units) | 71,747 | 8,363 |
| Sale of 500,386 units by the Fund (2023: 60,147 units) | 56,210 | 6,561 |
| Net Dividend Received | 23 | - |
| MCB Bank Limited - Parent of the Management Company | | |
| Bank Charges | 4 | 1 |
| | December 31, 2024 (Un audited) Alhamra Smart | June 30, 2024 (Audited) Alhamra Smart |
| Balances outstanding at period end: | —Rupees in '000— | |
| MCB Investment Management Limited - Management Company | | |
| Management remuneration payable | 4 | 5 |
| Sindh sales tax payable on management company remuneration | 1 | 1 |
| Payable against allocated expenses | - | - |
| Sale Load Payable | 13 | - |
| Digital Custodian Company Limited - Trustee | | |
| Trustee remuneration payable | 21 | 21 |
| Sindh sales tax payable on trustee remuneration | 3 | 3 |
| MCB Bank Limited - Parent of the Management Company | | |
| Balances with bank - current account | 294 | 664 |
| Alhamra Islamic Income Fund - Fund under common management | | |
| Outstanding 1,115,234 units (2023: 976,144 units) (investments made by the Fund) | 126,964 | 101,486 |
| Alhamra Islamic Stock Fund - Fund under common management | | |
| Outstanding 2,026,526 units (2023: 2,291,164 units) (investments made by the Fund) | 44,442 | 34,665 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

14. 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 balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

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, 2024 and June 30, 2024, the Fund held the following instruments measured at fair values:

| | | December 31, 2024 (Un-audited) | | | |
|--------------------------------------|------|---------------------------------------|----------------|----------------|--------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| | | (Rupees in '000) | | | |
| Note | | | | | |
| Alhamra Smart Portfolio | | | | | |
| At fair value through profit or loss | 14.1 | - | 171,407 | - | 171,407 |
| | | - | 171,407 | - | 171,407 |
| June 30, 2024 (Audited) | | | | | |
| (Rupees in '000) | | | | | |
| Alhamra Smart Portfolio | | | | | |
| At fair value through profit or loss | | - | 136,151 | - | 136,151 |
| | | - | 136,151 | - | 136,151 |

- 14.1 Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Website of Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days. During the period ended December 31, 2024, 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 of 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 values.

15. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 0.96% and this includes 0.13% representing government levy, SECP fee etc.

16 GENERAL

16.1 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

16.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company in the meeting held on February 04, 2025.

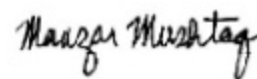
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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

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