

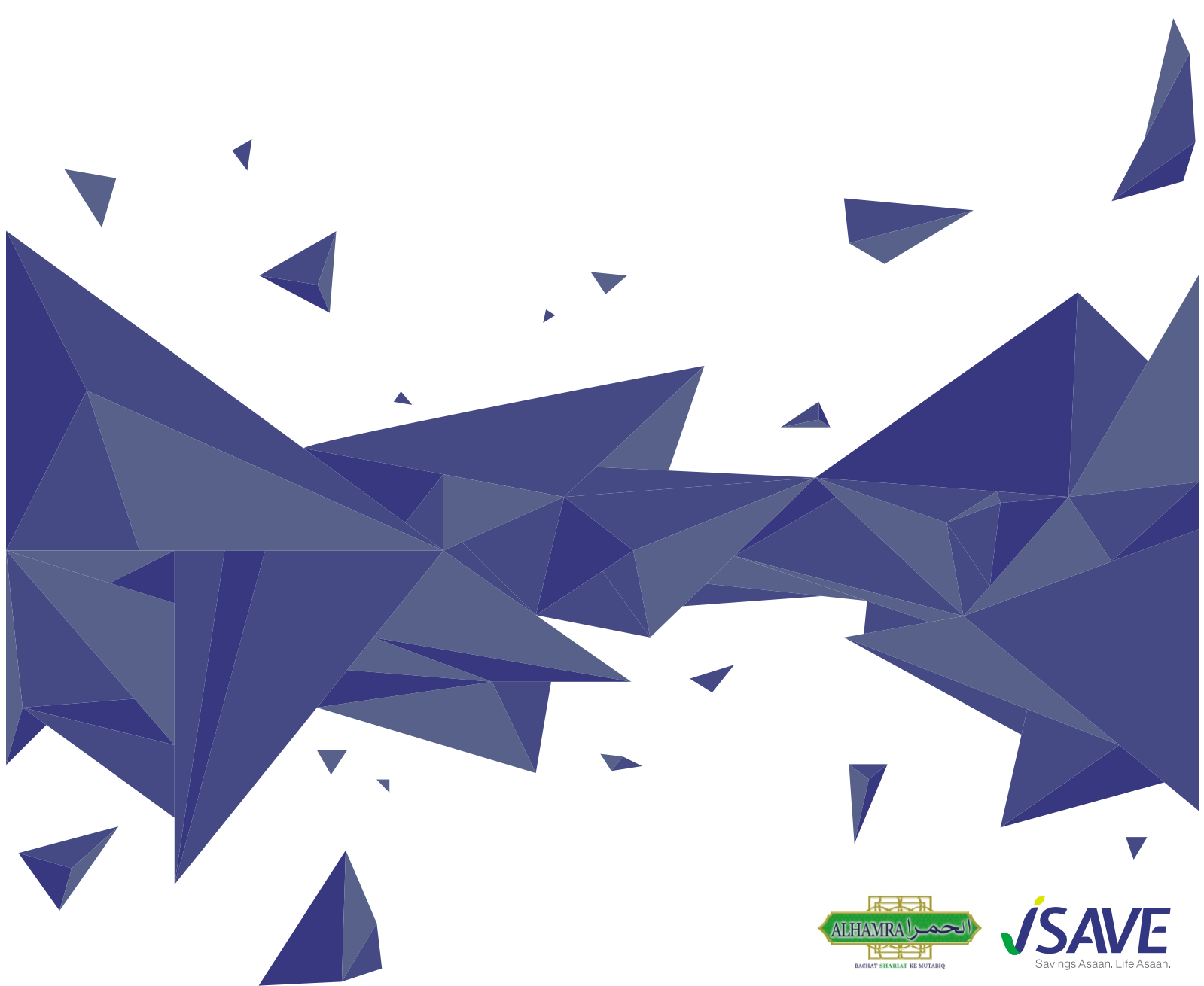


MCB FUNDS
Investments for Life

QUATERLY REPORT

MARCH
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



ALHAMRA ISLAMIC INCOME FUND

TABLE OF CONTENTS

1	Fund's Information	302
2	Report of the Directors of the Management Company	303
3	Condensed Interim Statement of Assets And Liabilities	311
4	Condensed Interim Income Statement (Un-audited)	312
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	313
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	314
7	Condensed Interim Cash Flow Statement (Un-audited)	315
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	316

FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited	Bank Islamic Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Limited Soneri Bank Limited Silk Bank Limited Al Baraka Bank Pakistan Limited The Bank of Khyber
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	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 Islamic Income 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 under review, the fund generated an annualized return of 20.43% as against its benchmark return of 9.78%.

The allocation of fund was towards Ijara Sukuk and Cash with the exposures standing at 70.8% and 12.8% respectively.

The Net Assets of the Fund as at March 31, 2024 stood at Rs. 11,287 million as compared to Rs. 4,275 million as at June 30, 2023 registering an increase of 164.02%.

The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 118.8372 as compared to opening NAV of Rs. 102.9884 per unit as at June 30, 2023 registering an increase of Rs. 15.8488 per unit.

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 atleast 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

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

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 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 آئن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز 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

Manzoor Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی، 22 اپریل 2024ء

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی، 22 اپریل 2024ء

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 کار آمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.3x 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 فنڈ 30.8 فیصد اور ایکویٹی اور متعلقہ فنڈ 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 شرواح 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 ماند رہنے 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 اُمید 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 سٹاک 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 صورتحال 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۔

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 ماحصل میں تنزلی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی 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

زیر جائزہ مدت کے دوران فنڈ نے 20.43 فیصد منافع دیا، بالمقابل مقررہ معیار 9.78 فیصد منافع کے۔ فنڈ کی سرمایہ کاری اجارہ سٹاک میں 70.8 فیصد اور نقد میں 12.8 فیصد تھی۔

31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 11,287 ملین روپے تھے، جو 30 جون 2023ء کی سطح 4,275 ملین روپے کے مقابلے میں 164.02 فیصد اضافہ ہے۔

31 مارچ 2024ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 118.8372 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی فی یونٹ 102.9884 روپے کے مقابلے میں 15.8488 روپے فی یونٹ اضافہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک انکم 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 زیر مبادلہ 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 صورتحال 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 YoY (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 زیر مبادلہ 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 صورتحال 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			
Bank balances	4	1,882,865	1,539,887
Investments	5	11,288,612	2,178,742
Advance against IPO		700,000	397,000
Markup receivable		774,372	165,903
Advances, deposits, prepayments and other receivables		22,150	20,570
Total assets		14,668,000	4,302,102
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	6	30,661	6,190
Payable to Central Depository Company of Pakistan Limited - Trustee		807	298
Payable to Securities and Exchange Commission of Pakistan	7	714	1,171
Dividend payable		10	10
Payable against purchase of investments		3,329,619	-
Accrued expenses and other liabilities	8	18,886	19,309
Total liabilities		3,380,698	26,977
NET ASSETS		11,287,302	4,275,125
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		11,287,302	4,275,125
CONTINGENCIES AND COMMITMENTS			
	9		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		94,981,240	41,510,753
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		118.8372	102.9884

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

	Nine Months ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
Note	(Rupees in '000)			
INCOME				
Income from government securities	548,964	120,398	348,034	53,831
Capital gain on sale of investments - net	(9,684)	581	(8,769)	0
Income from sukuk certificates	238,800	274,390	86,831	85,911
Profit on deposits with bank	311,044	244,433	113,591	89,016
Income on term deposits receipts	12,440	50,680	(0)	20,733
Income on commercial paper	-	2,134	-	(1)
Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' - net	22,450	(29,259)	(7,073)	(14,640)
Other income	191	-	75	-
Total income	1,124,206	663,358	532,690	234,851
EXPENSES				
Remuneration of MCB Investment Management Limited - Management Company	43,992	24,884	12,803	8,459
Sindh Sales Tax on remuneration of Management Company	5,719	3,235	1,665	1,100
Allocated expenses	5,350	4,582	2,629	1,567
Remuneration of Central Depository Company of Pakistan Limited - Trustee	4,071	3,436	2,036	1,175
Sindh Sales Tax on remuneration of the Trustee	529	447	264	153
Annual fees of Securities and Exchange Commission of Pakistan	4,072	915	2,036	312
Auditors' remuneration	784	546	365	165
Security and transaction cost	262	67	91	57
Marketing and selling expenses	25,861	3,161	13,436	2,356
Settlement and bank charges	508	401	179	130
Fees and subscriptions	416	398	146	139
Legal and professional charges	176	157	82	77
Shariah advisory fee	400	541	112	181
Printing and related costs	66	27	16	13
Total expenses	92,207	42,795	35,861	15,882
Net income for the period before taxation	1,031,999	620,563	496,829	218,969
Taxation	-	-	-	-
Net income for the period after taxation	1,031,999	620,563	496,829	218,969
Allocation of net income for the period:				
Net income for the year after taxation	1,031,999	620,563		
Income already paid on units redeemed	(278,545)	(218,366)		
	753,454	402,197		
Accounting income available for distribution				
Relating to capital gains	4,084	-		
Excluding capital gains	749,370	402,197		
	753,454	402,197		
Earnings per unit				

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	1,031,999	620,563	496,829	218,969
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,031,999	620,563	496,829	218,969

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

	Nine Months ended March 31,					
	2024			2023		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	4,226,347	48,778	4,275,125	4,747,853	35,522	4,783,375
Issue of 183,383,286 units (2023: 129,081,259 units):						
- Capital value (at net asset value per unit at the beginning of the period)	18,886,347	-	18,886,347	13,187,397	-	13,187,397
- Element of income	1,762,539	-	1,762,539	617,056	-	617,056
	20,648,886	-	20,648,886	13,804,453	-	13,804,453
Redemption of 129,912,799 units (2023:123,711,981 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(13,379,508)	-	(13,379,508)	(12,638,853)	-	(12,638,853)
- Element of income	(1,010,654)	(278,545)	(1,289,199)	(453,576)	(218,366)	(671,942)
	(14,390,162)	(278,545)	(14,668,707)	(13,092,429)	(218,366)	(13,310,795)
Total comprehensive income for the period	-	1,031,999	1,031,999	-	620,563	620,563
Net assets as at the end of the period	10,485,071	802,232	11,287,302	5,459,877	437,719	5,897,597
Undistributed income brought forward						
- Realised		64,760			37,763	
- Unrealised		(15,982)			(2,241)	
		48,778			35,522	
Accounting income available for distribution						
- Relating to capital gains		4,084			-	
- Excluding capital gains		749,370			402,197	
		753,454			402,197	
Undistributed income carried forward		802,232			437,719	
Undistributed income carried forward						
- Realised		779,781			437,719	
- Unrealised		22,450			-	
		802,232			437,719	
	(Rupees)			(Rupees)		
Net assets value per unit as at beginning of the period		102.9884			102.1635	
Net assets value per unit as at end of the period		118.8372			113.0023	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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, March 31,	
	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,031,999	620,563
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution in value of investments classified as 'at fair value through profit or loss' - net	(22,450)	29,259
	1,009,549	649,822
Decrease / (Increase) in assets		
Investments	(9,087,420)	(457,605)
Profit receivable	(608,469)	(162,635)
Advances, deposits and prepayments	(304,580)	329,867
	(10,000,470)	(290,373)
Increase / (decrease) in liabilities		
Payable to MCB Investment Management Limited - Management Company	24,471	4,211
Payable to Central Depository Company of Pakistan Limited - Trustee	509	(2)
Payable to Securities and Exchange Commission of Pakistan	(457)	(591)
Dividend payable	(0)	-
Payable against purchase of investments	3,329,619	(741,576)
Accrued expenses and other liabilities	(423)	6,126
	3,353,720	(731,833)
Net cash used in operating activities	(5,637,201)	(372,384)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	20,648,886	13,804,453
Payments on redemption of units	(14,668,707)	(13,310,795)
Net cash generated from financing activities	5,980,178	493,658
Net increase in cash and cash equivalents during the period	342,978	121,275
Cash and cash equivalents at beginning of the period	1,539,887	1,855,629
Cash and cash equivalents at end of the period	1,882,865	1,976,024

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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 Islamic Income (the Fund) was established through a Trust Deed executed between MCB Investment Management Company Limited, as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letters dated January 25, 2011 consequent to which Trust Deed was executed on March 07, 2011 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the fund had been registered under the Sindh Trust Act.
- 1.2 In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The Fund is an open-end collective investment scheme categorised and is listed on the Pakistan Stock Exchange Limited. The principal objective of the Fund is to seek to generate superior risk adjusted returns by investing in short, medium and long-term Shariah Compliant fixed income instruments. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund has been categorised as a "Shariah Compliant (Islamic) Income" scheme by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by the SECP.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 (2022: 'AM1' dated October 6, 2022) to the Management Company and AA-(f) as stability rating dated March 8, 2024 (dated September 8, 2023) to the Fund
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF 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.

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, whereas 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.

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

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.

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	---- (Rupees in '000) ----	
4 BANK BALANCES			
Savings accounts	4.1	1,853,871	1,502,321
Current accounts		<u>28,994</u>	<u>37,566</u>
	4.2	<u>1,882,865</u>	<u>1,539,887</u>

4.1 These carry profit at the rates ranging between 18.5% to 21.3% (June 30, 2023: 12.52% to 20.25%) per annum.

4.2 These include balances of Rs. 237.015 million (June 2023: Rs.240.355 million) maintained with MCB Bank Limited and MIB Bank Limited (a related party).

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	---- (Rupees in '000) ----	
5. INVESTMENTS			
At fair value through profit or loss			
Unlisted debt securities	5.1	495,375	1,064,120
Listed debt securities	5.2	405,987	-
Government of Pakistan - Ijara Sukuk	5.3	10,387,251	559,622
At amortized cost			
Term deposit receipts	5.4	-	555,000
		<u>11,288,612</u>	<u>2,178,742</u>

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

5.1 Unlisted debt securities

Certificates have a face value of Rs 100,000 each unless stated otherwise

Name of investee company	Number of certificates				As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2023	Purchased during the period	Matured during the period	Disposed off during the period	As at March 31, 2024	Carrying value	Appreciation / (diminution)		
								(Rupees in '000)	%
Chemical									
Ghani Gases Limited	1,000	-	1,000	-	-	-	-	-	-
Pharmaceutical									
Aspin Pharma (Private) Limited	2,033	-	2,033	-	-	-	-	-	-
Miscellaneous									
Dubai Islamic Bank*	-	22	-	-	22	22,000	22,143	143	0.20
Bank									
Meezan Bank Limited	355	-	-	70	285	286,918	286,745	(173)	2.54
Meezan Sukuk	272	-	-	83	189	187,110	186,488	(622)	1.65
As at March 31, 2024						496,028	495,375	(652)	
As at June 30, 2023						670,270	658,539	(11,731)	

5.2 Sukuk Certificate-Listed

Name of investee company	Number of Certificates				As at March 31, 2024			Market value as a percentage of	
	As at July 1, 2023	Purchased during the period	Matured during the period	Sold during the period	As at March 31, 2024	Carrying value	Market value	Net assets	Total Investments
								(Rupees in '000)	%
Power									
Pakistan Energy Sukuk	81,100	-	-	-	81,100	405,581	405,987	406	3.60
As at March 31, 2024						405,581	405,987	406	
As at June 30, 2023						408,339	405,581	(2,758)	

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

5.3 Government of Pakistan (GoP) Ijara sukuk

Tenure	Issue Date	Face value				March 31, 2024			Market value as a percentage of	
		At July 01, 2023	Purchased during the period	Sold during the period	At March 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets	Total investments
(Rupees in '000)										
Government of Pakistan-										
Ijara Sukuk										
-1 Year	April 17, 2023	-	9,527,000	6,350,000	3,177,000	3,179,911	3,179,547	(364)	28.17	28.17
-1 Year	July 12, 2023	-	113,000	-	113,000	113,010	113,068	58	1.00	1.00
-1 Year	August 7, 2023	-	412,000	400,000	12,000	12,009	12,000	(9)	0.11	0.11
-1 Year	September 20, 2023	-	275,000	-	275,000	274,983	275,000	17	2.44	2.44
-1 Year	October 9, 2023	-	710,000	710,000	-	-	-	-	-	-
-1 Year	December 4, 2023	-	175,000	25,000	150,000	150,031	150,000	(31)	1.33	1.33
-1 Year	March 15, 2024	-	525,000	-	525,000	441,431	440,528	(903)	3.90	3.90
Government of Pakistan-										
Ijara Sukuk										
-3 Years	June 26, 2023	-	550,000	-	550,000	552,436	566,665	14,229	5.02	5.02
-3 Years	December 4, 2023	-	875,000	300,000	575,000	575,177	574,725	(452)	5.09	5.09
-3 Years	January 24, 2024	-	525,000	-	525,000	525,000	527,438	2,438	4.67	4.67
Government of Pakistan-										
Ijara Sukuk										
-5 Years	July 29, 2020	563,000	150,000	-	713,000	712,071	713,927	1,856	6.33	6.32
-5 Years	October 6, 2021	-	185,000	-	185,000	184,105	186,850	2,745	1.66	1.66
-5 Years	October 26, 2022	-	200,000	-	200,000	201,824	202,420	596	1.79	1.79
-5 Years	December 4, 2023	-	2,000,000	700,000	1,300,000	1,302,382	1,304,995	2,613	11.56	11.56
-5 Years	January 24, 2024	-	2,150,000	-	2,150,000	2,140,183	2,140,089	(94)	18.96	18.96
As at March 31, 2024						10,364,553	10,387,251	22,696		
As at June 30, 2023						561,115	559,622	(1,493)		

5.4 Term deposit receipts

Particulars	Profit rate	Issue Date	Maturity Date	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
----- (Rupees in '000) -----							----- % -----
As at March 31, 2024				-	-		
As at June 30, 2023				555,000	555,000		

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 (Un audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
	Management remuneration payable	6.1 3,391	2,422
	Sindh sales tax payable on management remuneration	6.2 441	315
	Sales load payable	11,849	566
	Back end load payable	640	-
	Payable against shariah advisory fee	38	50
	Payable against allocated expenses	6.3 867	351
	Payable against marketing and selling expenses	6.4 13,436	2,486
		<u>30,661</u>	<u>6,190</u>

6.1 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 10 % 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.

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

6.3 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.

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

7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average Net Assets of Collective investment Scheme calculated on daily basis. Effective 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	March 31, 2024 (Un audited)	June 30, 2023 (Audited)
		----- (Rupees in '000) -----	
	Provision for Federal Excise Duty and related tax on		
	- Management fee	8.1 8,639	8,639
	- Sales load	3,028	3,028
	Auditors' remuneration	572	554
	Capital gain tax	5,455	4,050
	Printing charges payable	95	40
	Others	1,098	2,997
		<u>18,886</u>	<u>19,308</u>

8.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2024 would have been higher by Re. 0.123 per unit (June 30, 2023: Re. 0.281 per unit).

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

9. CONTINGENCIES AND COMMITMENTS

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

9.2 Commitments

There were no commitments outstanding as at March 31, 2024 and June 30, 2023.

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. TOTAL EXPENSE RATIO

The annualized total expense ratio (TER) of the Fund based on the current period results is 1.69% (March 31, 2023: 0.93%) which includes 0.19% (March 31, 2023: 0.09%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

13. CASH AND CASH EQUIVALENTS

Balances with banks

March 31, 2024 (Un audited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----	
1,882,865	1,539,887

14. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being 100% subsidiary of 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.

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

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

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

For the Nine Months ended March 31, 2024 (Un-audited)

	As at July 01, 2023	Issued for cash	Redeemed	As at March 31, 2024	As at July 01, 2023	Issued for cash	Redeemed	As at March 31, 2024
	----- Units ----- (Rupees in '000) -----							

Associated Companies / Undertakings:

MCB Investment Management Limited	61,939	-	61,939	(0)	6,379	-	6,785	(0)
Adamjee Life Assurance Co. Ltd	-	2,460,878	1,793,850	667,028	-	275,143	200,798	79,268
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	846,820	846,820	(0)	-	95,530	96,344	(0)
Arif Habib Securities Limited Employees Provident Fund Trust	73,293	-	73,293	(0)	7,548	-	7,626	(0)
DCCL Trustee Alhamra Smart Portfolio	798,631	84,743	82,746	800,628	82,250	9,360	9,157	95,144
Adamjee Insurance Company Limited Window Takaful Operations	-	1,528,303	-	1,528,303	-	168,467	-	181,619

Mandate Under Discretionary Portfolio Services

	71	2,225,612	1,570,190	655,493	7	248,253	180,275	77,897
--	----	-----------	-----------	---------	---	---------	---------	--------

Key management personnel

	27,000	662,543	644,698	44,845	2,781	73,786	72,697	5,329
--	--------	---------	---------	--------	-------	--------	--------	-------

* 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	Redeemed	As at March 31, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at March 31, 2023
	----- Units ----- (Rupees in '000) -----							

Associated Companies:

MCB Investment Management Limited	-	689,699	653,667	36,032	-	73,016	70,613	4,072
Adamjee Life Assurance Co. Ltd. Amaanat Fund	-	493,041	493,041	-	-	52,000	52,894	-
Adamjee Life Assurance Company Limited - Tameen	-	6,695,676	6,695,677	-	-	710,073	733,159	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	417,208	144,184	273,024	-	44,913	15,350	30,852
Arif Habib Securities Limited Employees Provident Fund Trust	87,441	-	14,147	73,294	8,933	-	1,500	8,282
Mcbfsi Trustee Alhamra Smart Portfolio	1,009,242	134,557	379,955	763,844	103,108	14,419	40,070	86,316
Adamjee Life Assurance Co. Ltd - Saman	-	14,541	14,541	-	-	1,530	1,591	-
Adamjee Life Assurance Co. Ltd Managed Growth Fund	-	8,609	8,609	-	-	895	896	-

Mandate Under Discretionary Portfolio Services

	757	2,956,385	1,102,363	1,854,779	77	315,375	119,875	209,584
--	-----	-----------	-----------	-----------	----	---------	---------	---------

Key management personnel

	126,373	356,357	438,601	44,129	12,911	38,794	47,492	4,987
--	---------	---------	---------	--------	--------	--------	--------	-------

* 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

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

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Remuneration including indirect taxes	49,711	28,119
Shariah advisory fee	400	541
Allocated expenses	5,350	4,582
Marketing and selling expenses	25,861	3,161
MCB Bank Limited - Parent of the Management Company		
Bank charges	112	117
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Profit on bank balances	84,948	12,787
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	4,601	3,883
CDC settlement charges	35	3

14.3 Amount outstanding as at period / year end

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Management remuneration payable	3,391	2,422
Sindh sales tax payable on management remuneration	441	315
Sale load payable	11,849	105
Back End Load Payable	640	461
Payable against Shariah advisory fee	38	50
Payable against allocated expenses	867	351
Marketing and selling expense payable	13,436	2,486
MCB Bank Limited - Parent of the Management Company		
Bank deposit	28,846	37,514
MCB Islamic Bank Limited - Subsidiary of Parent of the Management Company		
Bank balances	208,170	202,819
Profit receivable on bank balances	760	508,877
Term Deposit Receipt	-	555,000
Markup Receivable on Term Deposit Receipt	-	71,643
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	714	264
Sindh Sales tax payable on remuneration of Trustee	93	34
Security deposits	100	100
Advance against IPO subscription of debt security		
Nishat Mills Limited	700,000	-

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

15 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.

15.1 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).

16 GENERAL

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

16.2 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.

17 DATE OF AUTHORISATION 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

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

UAN: (+92-21) 111 468 378 (111 INVEST)

URL: www.mcbfunds.com, **Email:** info@mcbfunds.com