



MCB FUNDS  
Investments for Life

# QUARTERLY REPORT

SEPTEMBER  
**2023**  
(UNAUDITED)

Funds Under Management of  
**MCB INVESTMENT MANAGEMENT LIMITED**  
(Formerly: MCB-Arif Habib Savings and Investments Limited)



---

---

## **Vision**

“To be the most coveted Savings and Investment company,  
while leading the effort to make the saving  
population and industry grow”

## **Mission**

“To be the preferred Savings and Investment Manager in Pakistan  
by being best in class in customer services  
and maximizing stakeholders’ value”

## **Core Values**

### **HONESTY**

We ensure to build trust through responsible actions and honest  
relationships with our colleagues, customers and stakeholders

### **INTEGRITY**

We work with integrity in everything we do, and embody our principles  
when working with stakeholders as well as internal and external customers.  
We assure to promote the integrity for the ultimate benefit for everyone

### **ETHICS**

As a trusted custodian of customer funds, we are committed to  
conforming to the highest level of ethical standards in the workplace  
that involves putting customer interest first and maintaining  
our stakeholders trust in the Company

### **PROFESSIONALISM**

We value everyone and treat our external and internal  
customers and our stakeholders with respect, dignity and professionalism

---

---

## CONTENTS

---

---

01	MCB DCF Income Fund	03
02	Pakistan Income Fund	27
03	MCB Pakistan Sovereign Fund	53
04	Pakistan Income Enhancement Fund	78
05	Pakistan Cash Management Optimizer	102
06	MCB Cash Management Fund	127
07	MCB Pakistan Stock Market Fund	150
08	ALHAMRA Islamic Stock Fund	177
09	MCB Pakistan Asset Allocation Fund	206
10	Pakistan Capital Market Fund	232
11	ALHAMRA Islamic Asset Allocation Fund	259
12	ALHAMRA Islamic Income Fund	286
13	ALHAMRA Islamic Active Allocation Fund	311
14	ALHAMRA Islamic Money Market Fund	334
15	ALHAMRA Daily Dividend Fund	359
16	ALHAMRA Wada Fund	383
17	MCB Pakistan Fixed Return Fund	407
18	MCB Pakistan Opportunity Fund	433
19	AL HAMRA Cash Management Optimizer	457
20	Pakistan Pension Fund	480
21	AL HAMRA Islamic Pension Fund	511

# **MCB DCF INCOME FUND**

## TABLE OF CONTENTS

---

---

1	Fund's Information	05
2	Report of the Directors of the Management Company	06
3	Condensed Interim Statement of Assets And Liabilities	14
4	Condensed Interim Income Statement (Un-audited)	15
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	16
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	17
7	Condensed Interim Cash Flow Statement ( Un-audited)	18
8	Notes to and forming part of the Condensed Interim Financial Statements	19

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B', S.M.C.H.S Main Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Sik Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited	Khushali Micro Finance Bank Limited Telenor Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited HBL Micro Finance Bank Limited National Bank of Pakistan Soneri Bank Limited The Bank of Khyber
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shakra-e-Faisal, Karachi-753550.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Income Fund** accounts review for the quarter ended September 30, 2023.

### **Economy and Money Market Review**

The new fiscal year started on a positive note as the government secured a much needed Stand-by Arrangement (SBA) facility of USD 3bn from the IMF, of which USD 1.2bn was promptly disbursed. This was followed by additional inflows of USD 3bn from Saudi Arabia and UAE and timely rollover from China. These led to an upgrade in Pakistan's sovereign rating by Fitch from CCC- to CCC due to the improved external outlook.

Macroeconomic concerns resurfaced in Aug-23 when there was change of political guard as the new interim government came into power. An immediate effort of new finance team to clear pending import payments turned by the speculators to give a notion of weakening external account putting significant pressure on the currency. The rupee weakened to PKR 307 against the greenback in interbank while the open market rate hovered around PKR 330. The interim setup albeit with some delay took decisive steps against smuggling of dollar and abuse of Afghan Transit which led a sharp recovery in exchange rate and elimination of the difference between open market and interbank rates. A sustained action and elimination of smuggling of goods and currency bodes well for the economy.

The country posted a current account deficit (CAD) of USD 0.9bn in the first two months of the fiscal year 2024 (2MFY24) declining by 54% YoY compared to a deficit of USD 2.0bn in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 8.3% decrease in exports coupled with a 26.0% drop in imports led to a 39.5% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 7.6bn as of Sep-23 end compared to USD 4.5bn at the end of last fiscal year. This was on account of flows from IMF and friendly countries.

Headline inflation represented by CPI averaged 29.0% during 1QFY24 compared to 25.1% in the corresponding period last year. Inflation remained on the higher side as currency depreciation led to higher food and energy prices. The government increased electricity base tariff to comply with IMF conditions which led to further inflationary pressure. SBP mainlined status quo in monetary policy held in Sep-23 as it noted that inflation is projected to remain on the downwards trajectory and real interest rates continue to remain in positive territory on a forward-looking basis.

The country's GDP growth recorded at 0.29% in FY23 with Agricultural and Services sector increasing by 1.6% and 0.9%, respectively, while industrial sector witnessed a drop of 2.9%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 24.1% in 1QFY24 to PKR 2,041bn compared to PKR 1,644bn in the same period last year, outpacing the target by PKR 63bn.

The Secondary markets yields initially increased in the period preceding Sep-23 monetary policy as there was a general market consensus that interest rates will be increased by 100-200bps in the MPS. The 3 month yields increased from 22.7% to a high of 23.8% while 3 Year Bond yields rose from 19.5% to a peak of 21.2%. After SBP maintained status quo in the MPS and dollar started reversing, the yields also receded.



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2023

The 3-month T-Bill Yield declined to 22.5% while 3 Year PIB decreased to 19.1% as of Sep 23.

### **Fund Performance**

During the period under review, the fund generated an annualized return of 19.93% as against its benchmark return of 23.89%. The WAM of the fund decreased to 1.3 years. The fund allocation remained notably in cash and T-Bills at the end of the period under review. At period-end, the fund was invested 51.1% in T-Bills, 22.3% in Cash and 11.5% in GOP Ijara Sukuks. The Net Assets of the Fund as at September 30, 2023 stood at Rs. 9,557 million as compared to Rs. 7,706 million as at June 30, 2023 registering an increase of 24.02%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 113.4281 as compared to opening NAV of Rs. 108.0027 per unit as at June 30, 2023 registering an increase of Rs. 5.4254 per unit.

### **Economy & Market – Future Outlook**

Pakistan GDP is expected to rebound to 4.1% in FY24 after a dismal performance last year. The industrial and services sector is expected to show growth as import restriction has been removed which will help to normalize trade activities. Agriculture growth is likely to remain on the higher side due to base effect as the heavy floods last year affected agriculture output. The arrivals of crops have been encouraging with cotton arrival increasing by 72% YoY to 5.0mn bales in the quarter.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 10.5bn on the back of flows from friendly countries, IMF and multilateral agencies. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns. We expect a CAD of USD 3.1bn (0.9% of GDP) in FY24 as policy of consolidation is likely to continue under the IMF umbrella.

The rupee has recovered from its recent low due to the administrative measures by the government to curb dollar smuggling and hoarding. However, the sustainability of this recovery will depend on recovery in export and remittances flow. In addition, the flows from bilateral and multilateral sources and reserve building will be vital for external outlook. We expect USD/PKR to close the fiscal year on 311.7 on an ending REER of 95.

We expect Average FY24 inflation to ease to 24.1% compared to 29.0% in FY23 as the base effect will come into play. Inflation readings have peaked and inflation is expected to follow a downward trajectory with headline number falling sharply in 2HFY24. This coupled with the buildup of forex reserves during the period will allow the monetary easing cycle to start in the second half of the year. We expect a cumulative easing of around 4.0% till Jun-24, however, its pace and timing would be determined by trend in FX reserves.

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 7.6%, a discount of 61% from its historical average of 19.5%. Similarly, Earning Yield minus Risk Free Rate is close to 5.6%, compared to the historical average of 2.7% signifying a deep discount at which the



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2023

---

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 4.6x, while offering a dividend yield of 12.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

### **Mutual Fund Industry Review**

The Net Assets of the open end mutual funds industry increased by about 14.7% during 1QFY24 to PKR 1,793bn. Total money market funds grew by about 15.8% since Jun-23. Within the money market sphere, conventional funds showed a growth of 17.0% to PKR 553bn while Islamic funds increased by 14.4% to PKR 491bn. In addition, the total fixed Income funds increased by about 23.0% since Jun-23 to PKR 454bn while Equity and related funds increased by 1.7% to PKR 170bn.

In terms of the segment share, Money Market funds were the leader with a share of around 58.2%, followed by Income funds with 25.3% and Equity and Equity related funds having a share of 8.5% as at the end of Sep-23.

### **Mutual Fund Industry Outlook**

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, external concerns have eased post agreement with IMF and the long term investors may look to add equity exposure at these highly attractive levels. 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.

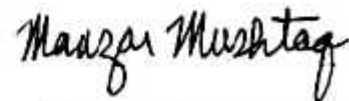
### **ACKNOWLEDGMENT**

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,



**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 18, 2023



**Manzar Mushtaq**  
Director  
October 18, 2023

## ڈائریکٹرز رپورٹ

اظہار تشکر

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

Masrur Mushtaq

منظر مشتاق  
ڈائریکٹر

من جانب ڈائریکٹرز،

محمد ثاقب سلیم

محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
18 اکتوبر 2023ء

## ڈائریکٹرز رپورٹ

جی ڈی پی کے ساتھ تناسب کم ہو کر 7.6 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.7 فیصد سے 61 فیصد کمی ہے۔ اسی طرح Earning Yield مائنس محفوظ شرح تقریباً 5.6 فیصد کے قریب ہے، اور جو کہ 2.7 فیصد کی تاریخی اوسط سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.6x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 12.2 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۔ ہم ڈیٹا پوائنٹس کی نگرانی اور پُرکشش شرحوں پر اِکٹم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کی پہلی سہ ماہی کے دوران تقریباً 14.7 فیصد بڑھ کر 1,793 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2023ء سے اب تک تقریباً 15.8 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 17.0 فیصد بڑھ کر 553 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 14.4 فیصد بڑھ کر 491 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 23.0 فیصد بڑھ کر 454 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 1.7 فیصد بڑھ کر 170 بلین روپے ہو گئے۔ شعبہ جاتی شراکت کے اعتبار سے ستمبر 2023ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.2 فیصد کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر اِکٹم فنڈ 25.3 فیصد کے ساتھ تھے، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈ 8.5 فیصد کے ساتھ تھے۔

### میوچل فنڈ صنعت کی مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمدورفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم آئی ایم ایف معاہدے کے بعد خارجی خدشات کم ہو گئے ہیں اور طویل المیعاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگا سکتے ہیں۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔



## ڈائریکٹرز رپورٹ

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس ٹن کارکردگی کے بعد مالی سال 2024ء میں 4.1 فیصد بہتری متوقع ہے۔ صنعت اور خدمات کے شعبے میں ترقی متوقع ہے کیونکہ درآمدات پر عائد پابندی ختم کر دی گئی ہے جس کی بدولت کاروباری سرگرمیاں بحال ہوں گی۔

زراعت کے شعبے کی ترقی متوقع طور پر base کے اثر کی بدولت بلند سطح پر ہوگی کیونکہ گزشتہ سال سیلابوں کے باعث بڑے پیمانے پر زرعی پیداوار متاثر ہوئی تھی۔ فصلوں کی پیداوار حوصلہ افزا رہی، مثلاً کپاس دوران سہ ماہی 72 فیصد YoY (سال در سال) بڑھ کر 5.0 ملین گانٹھیں ہوگئی۔

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوستانہ ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بدولت اسٹیٹ بینک آف پاکستان کے ذخائر متوقع طور پر بڑھ کر 10.5 بلین ڈالر ہو جائیں گے۔ تاہم ہماری خارجی صورتحال تاحال بے یقینی کا شکار ہے کیونکہ ہم مشکل عالمی حالات کے باعث بین الاقوامی یورو بانڈ اور سٹاک کا اجراء ممکن نظر نہیں آ رہا۔ غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے ہونے والی آمدنی بھی موجودہ معاشی مسائل کے باعث ممکنہ طور پر تعطل کا شکار رہیں گی۔ چنانچہ ہمیں سال رواں میں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل کا خطرہ ٹل سکے۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 3.1 بلین ڈالر (جی ڈی پی کا 0.9 فیصد) ہوگا کیونکہ آئی ایم ایف کی چھتری تلے استحکام کے حصول کی پالیسی ممکنہ طور پر جاری رہے گی۔

ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ تاہم اس بحالی کی قابلیت بقاء کا انحصار برآمدات اور ترسیلات کے بہاؤ کی بحالی پر ہے۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیرالجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر اور یورو پیہ مالی سال کے اختتام پر 311.7 ہوگا اور اختتامی REER 95 ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.1 فیصد ہو جائے گی کیونکہ base کا اثر اپنا کردار ادا کرے گا۔ مہنگائی کی سطحیں عروج پر پہنچ گئی ہیں اور اس میں بتدریج کمی متوقع ہے، اور ہینڈ لائن عدد مالی سال 2024ء کی دوسری سہ ماہی میں تیزی سے گرے گا۔ اس کے ساتھ ساتھ دوران مدت زرمبادلہ کے ذخائر میں اضافے کی بدولت سال کے نصف آخر میں مالیاتی تسہیل کی گردش شروع ہو سکتی ہے۔ جون 2024ء تک مجموعی طور پر تقریباً 4.0 فیصد مجموعی متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ کا cap



## ڈائریکٹرز رپورٹ

میں جو جمود کو بنیادی طور پر برقرار رکھا کیونکہ افراد ذریعہ کی شرح نیچے کی طرف رہنے کا امکان ہے اور سود کی حقیقی شرحیں ترقی پسندانہ بنیاد پر بدستور مثبت زمرے میں برقرار ہیں۔

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023ء میں 0.29 فیصد ترقی ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 2.9 فیصد گراؤ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمدی پابندیاں صنعتی پیداوار میں کمی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں دیکھا جائے تو ایف بی آر ٹیکس وصولی مالی سال 2024ء کی پہلی سہ ماہی میں 24.1 فیصد بڑھ کر 2,041 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 1,644 بلین روپے کے، چنانچہ ہدف سے 63 بلین روپے زیادہ ٹیکس وصولی ہوئی۔

ثانوی مارکیٹوں کی پیداوار میں ستمبر 2023ء کی مانیٹری پالیسی سے قبل مدت میں ابتدائی طور پر اضافہ ہوا کیونکہ مارکیٹ میں اس بات پر اتفاق تھا کہ MPS میں سود کی شرحوں میں 100 سے 200 بی پی ایس اضافہ ہوگا۔ تین ماہانہ منافع جات 22.7 فیصد سے بڑھ کر 23.8 فیصد ہو گئے جبکہ تین سالہ بانڈز کے منافع جات 19.5 فیصد سے بڑھ کر 21.2 فیصد ہو گئے۔ ایس بی پی کی جانب سے MPS میں جمود کو برقرار رکھنے اور ڈالر کی قدر میں کمی کے بعد منافع جات میں بھی کمی ہونا شروع ہو گئی۔ تین ماہانہ ٹی بل کے منافع جات ستمبر 2023ء کے اختتام پر کم ہو کر 22.5 فیصد ہو گئے جبکہ تین سالہ پی آئی بی کم ہو کر 19.1 فیصد ہو گئے۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 19.93 فیصد تھا، جبکہ اس کا بیخ مارک منافع 23.98 فیصد تھا۔ فنڈ کی WAM کم ہو کر 1.3 سال ہو گئی۔ زیر جائزہ مدت کے اختتام پر فنڈ کی زیادہ تر سرمایہ کاری نقد اور ٹی بلز میں رہی۔ اختتام مدت پر فنڈ کی سرمایہ کاری 51.1 فیصد ٹی بلز میں، 22.3 فیصد نقد میں اور 11.5 فیصد حکومت پاکستان کے اجارہ سلگ میں تھی۔ 30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 9,557 ملین روپے تھے، جبکہ 30 جون 2023ء کو 7,706 ملین روپے تھے، یعنی 24.02 فیصد اضافہ ہوا۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 113.4281 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 108.0027 روپے فی یونٹ تھی، یعنی 5.4254 روپے فی یونٹ اضافہ ہوا۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی ڈی سی ایف انکم فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختتمہ 30 ستمبر 2023ء پیش خدمت ہے۔

معیشت اور بازارز کا جائزہ

نیامالی سال مثبت انداز میں شروع ہوا کیونکہ حکومت نے آئی ایم ایف سے بے حد مطلوبہ 3 بلین ڈالر کا اسٹینڈ بائے اگرینٹ (ایس بی اے) کر لیا، جس میں سے 1.2 بلین ڈالر فوری طور پر جاری کر دیئے گئے۔ اس کے بعد سعودی عرب اور متحدہ عرب امارات سے 3 بلین ڈالر کی مزید آمد، اور چین کی طرف سے بروقت رول اوور کی فراہمی عمل میں آئی۔ اس کے نتیجے میں خارجی منظر نامے میں خوش آئند پیش رفت کی بدولت Fitch کی جاری کردہ پاکستان کی خود مختار درجہ بندی -CCC سے بہتر ہو کر CCC ہو گئی۔

مجموعی معاشی مسائل اگست 2023ء میں دوبارہ اُبھرنے لگے جب سیاسی منظر نامہ تبدیل ہوا اور نگران حکومت آئی۔ درآمدات کے واجبات کی ادائیگی کے لیے نئی مالیاتی ٹیم کی فوری کوشش کو خارجی اکاؤنٹ کی صورتحال میں کمزوری کے طور پر قیاس کیا گیا جس سے روپے پر قابل ذکر دباؤ پڑا۔ انٹرنیٹ میں ڈالر کے مقابلے میں روپے کی قدر میں 307 روپے کی کمی ہوئی جبکہ اوپن مارکیٹ کی شرح تقریباً 330 روپے کے آس پاس رہی۔ نگران حکومت نے، اگرچہ کچھ تاخیر کے ساتھ، ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے ناجائز استعمال کے حوالے سے فیصلہ گن اقدام کیے جس کے نتیجے میں زرمبادلہ کی شرح تیزی سے بحال ہوئی اور اوپن مارکیٹ اور انٹرنیٹ کی شرحوں میں فرق ختم ہوا۔ باقاعدہ بنیادوں پر کارروائی اور اشیاء اور روپے کی اسمگلنگ کی روک تھام ملک کے حالات میں بہتری کی نوید ہیں۔

ملک کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2024ء کے پہلے دو ماہ میں 0.9 بلین ڈالر تھا، جبکہ گزشتہ سال مماثل مدت میں 2.0 بلین ڈالر تھا، یعنی 54 فیصد سال در سال (YoY) کمی ہوئی۔ تجارتی خسارے کا کم ہونا CAD کو بہتر بنانے میں اہم کردار ادا کر رہا ہے۔ برآمدات میں 8.3 فیصد کمی اور درآمدات میں 26.0 فیصد کمی کی بدولت کاروباری خسارے میں 39.5 فیصد کمی ہوئی۔

ملک کی خارجی صورتحال میں بہتری آئی کیونکہ اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے اختتام پر 4.5 بلین ڈالر کے مقابلے میں بڑھ کر ستمبر 2023ء کے اختتام تک 7.6 بلین ڈالر ہو چکے تھے۔ اس کی وجہ آئی ایم ایف اور دوستانہ ممالک کی طرف سے مالیاتی آمدات تھی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2024ء کی پہلی سہ ماہی کے دوران 29.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 25.1 فیصد تھا۔ اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ حکومت نے آئی ایم ایف کی شرائط پوری کرنے کے لیے بجلی کی بنیادی قیمت میں اضافہ کیا جس کے نتیجے میں مہنگائی کے دباؤ میں مزید اضافہ ہوا۔ ایس بی پی نے ستمبر 2023ء کی مانیٹری پالیسی

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2023**

	September 30, 2023 (Un-Audited)	June 30, 2023 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Balances with banks	4 2,543,579	3,929,019
Investments	5 8,536,818	7,022,044
Mark-up, dividend and other receivables	254,829	142,110
Receivable against sale of investments	-	1,114,288
Advances, deposits and prepayments	55,428	86,104
<b>Total assets</b>	11,390,654	12,293,565
<b>LIABILITIES</b>		
Payable to MCB Arif Habib Savings and Investments Limited - Management Company	48,024	26,753
Payable to Central Depository Company of Pakistan Limited - Trustee	611	512
Payable to the Securities and Exchange Commission of Pakistan (SECP)	540	1,180
Payable against purchase of investments	-	4,228,664
Accrued and other liabilities	6 1,784,737	329,987
<b>Total liabilities</b>	1,833,912	4,587,096
<b>NET ASSETS</b>	<u>9,556,743</u>	<u>7,706,469</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>9,556,743</u>	<u>7,706,469</u>
<b>Contingencies and commitments</b>	7	
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>84,253,746</u>	<u>71,354,399</u>
	----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	<u>113.4281</u>	<u>108.0027</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

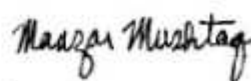
For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30,	
	2023	2022
Note	(Rupees in '000)	
<b>INCOME</b>		
Income from Government securities	364,085	80,424
Income from term finance certificates	68,403	25,251
Net (loss) / gain on sale of investments	(19,197)	4,124
Mark-up on bank deposits and term deposit receipt	77,933	82,492
Income on Letter of placements	2,157	-
Unrealised (diminution) on re-measurement of investments classified 'at fair value through profit or loss' - net	(107)	(2,767)
Other Income	1,208	557
<b>Total income</b>	<b>494,483</b>	<b>190,080</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	30,926	18,205
Sindh Sales tax on remuneration of the Management Company	4,020	2,367
Expenses allocated by the Management Company	2,062	1,214
Marketing and Selling Expense	18,349	4,733
Remuneration of the Trustee	1,546	910
Sindh Sales Tax on trustee fee	201	118
Annual fee to Securities and Exchange Commission of Pakistan	1,546	243
Brokerage and settlement and bank charges	1,225	294
Auditors' remuneration	226	191
Legal and professional charges	79	67
Others	160	160
<b>Total operating expenses</b>	<b>60,340</b>	<b>28,502</b>
<b>Net income for the period before taxation</b>	<b>434,142</b>	<b>161,578</b>
Taxation	9	-
<b>Net income for the period after taxation</b>	<b>434,142</b>	<b>161,578</b>
<i>Allocation of net income for the period:</i>		
Net income for the period after taxation	434,142	161,578
Income already paid on units redeemed	(26,903)	(4,965)
	<b>407,240</b>	<b>156,613</b>
<i>Accounting income available for distribution:</i>		
- Relating to capital gains	-	1,317
- Excluding capital gains	407,240	155,296
	<b>407,240</b>	<b>156,613</b>
<b>Earnings per unit</b>	10	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30,	
	2023	2022
	----- (Rupees in '000) -----	
<b>Net income for the period after taxation</b>	434,142	161,578
Other comprehensive income for the period:	-	-
<b>Total comprehensive income for the period</b>	<u>434,142</u>	<u>161,578</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30, 2023			September 30, 2022		
	(Rupees in '000)					
	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total
<b>Net assets at beginning of the period</b>	7,254,636	451,833	7,706,469	4,197,230	420,085	4,617,315
	7,254,636	451,833	7,706,469	4,197,230	420,085	4,617,315
Issuance of 22,946,153 units (2022: 6,342,960 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,478,246	-	2,478,246	680,978	-	680,978
- Element of income	51,417	-	51,417	10,222	-	10,222
	2,529,663	-	2,529,663	691,200	-	691,200
Redemption of 10,046,806 units (2022: 3,042,465 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,085,082	-	1,085,082	326,638	-	326,638
- Element of loss	1,547	26,903	28,449	295	4,965	5,260
	1,086,629	26,903	1,113,531	326,933	4,965	331,899
Total comprehensive income for the period	-	434,142	434,142	-	161,579	161,579
	-	434,142	434,142	-	161,579	161,579
<b>Net assets at end of the period</b>	8,697,671	859,072	9,556,743	4,561,498	576,698	5,138,196
<b>Undistributed income brought forward comprising of:</b>						
- Realised gain		487,707			413,270	
- Unrealised loss		(35,874)			6,815	
		451,833			420,085	
Accounting income available for distribution:						
- Relating to capital gains		-			1,317	
- Excluding capital gains		407,240			155,296	
		407,240			156,613	
Undistributed income carried forward		859,072			576,698	
<b>Undistributed income carried forward comprising of:</b>						
- Realised gain		878,376			579,464	
- Unrealised loss		(19,303)			(2,767)	
		859,072			576,698	
(Formerly: MCB-Arif Habib Savings and Investments Limited)						
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		108.0027			107.3596	
Net assets value per unit at end of the period		113.4281			110.9559	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

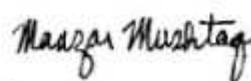
For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	September 30,	
		2023	2022
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		434,142	161,578
<b>Adjustments for:</b>			
Net unrealised loss on revaluation of investments 'at fair value through profit or loss - held-for-trading'		(107)	2,767
		434,036	164,345
<b>Decrease / (increase) in assets</b>			
Investments		3,720,133	(483,916)
Mark-up, dividend and other receivables		(112,719)	(41,737)
Receivable against sale of investments		1,114,288	-
Advances, deposits and prepayments		30,676	16,846
		4,752,378	(508,807)
<b>(Decrease) / Increase in liabilities</b>			
Payable to MCB Arif Habib Savings and Investments Limited -		21,271	3,190
Payable to Central Depository Company of Pakistan Limited - Trustee		99	33
Annual fee payable to SECP		(640)	(623)
Payable against purchase of investments		(4,228,664)	(75,352)
Accrued and other liabilities		1,454,750	142,280
		(2,753,184)	69,527
<b>Net cash generated / (used in) operating activities</b>		2,433,229	(274,935)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issuance of units (excluding additional units)		2,529,663	691,200
Payments on redemption of units		(1,113,531)	(331,898)
<b>Net cash generated from financing activities</b>		1,416,132	359,303
<b>Net Increase / (decrease) in cash and cash equivalents during the period</b>		3,849,361	84,368
Cash and cash equivalents at beginning of the period		3,929,019	3,780,064
<b>Cash and cash equivalents at end of the period</b>	8	7,778,380	3,864,432

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

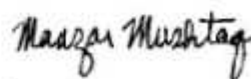
For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB DCF Income Fund (the Fund) was established under a Trust Deed dated November 20, 2006 executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) as a Collective Investment Scheme vide its letter dated on November 7, 2006 consequent to which the trust deed was executed on November 10, 2006 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Trust Act, 1882 was 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 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investments 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.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under 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.

1.3 The Fund is an open ended mutual fund and has been categorised as "Income Scheme" and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited.

1.4 The Fund primarily invests in money market and other instruments which includes corporate debt and government securities, repurchase agreements and spread transactions. The Fund may also invest a portion of the funds in medium term assets in order to provide higher return to the unit holders.

1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of AM1 dated October 06, 2023 to the Management Company and a stability rating of 'AA-(f)' dated September 08, 2023 to the Fund.

1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

This 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, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

- 2.1.2** 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 30 September 2023 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2023, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the three months ended 30 September 2022.
- 2.1.3** 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.
- 2.1.4** 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 Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

- 3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30,
- 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, 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.

	<b>Note</b>	<b>September 30, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>4 BALANCES WITH BANKS</b>			
Current accounts		406,899	55,020
Savings accounts	4.1	2,136,680	3,873,999
	4.2	<u>2,543,579</u>	<u>3,929,019</u>

- 4.1** These carry profit at the rates ranging between 12.25% to 17.05% (June 2023: 12.25% to 21.5 %) per annum.
- 4.2** This includes balances with related parties of Rs. 407 million (2023: Rs. 55.042 million) maintained with MCB Bank Limited and Rs. 0.0058 million (2023:Rs. 0.007 million) maintained with MCB Islamic Bank Limited.

	<b>Note</b>	<b>September 30, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>5 INVESTMENTS</b>			
<b>Investments by Category</b>			
<b>At fair value through profit or loss</b>			
Government securities	5.1	7,406,914	5,871,263
Unlisted debt securities	5.2	1,129,904	1,150,781
		<u>8,536,818</u>	<u>7,022,044</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

## 5.1 Government securities at fair value through profit or loss - held-for-trading\*

### - Market treasury bills \*

Name of security	Date of issue	Face Value			As at September 30, 2023	Balance as at September 30, 2023			Market value as a	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealized gain / (loss)	Net Assets	Total Investments
(Rupees in '000)										
<b>Market Treasury Bills</b>										
- 3 Months	May 4, 2023	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 3 Months	May 18, 2023	-	2,200,000	2,200,000	-	-	-	-	0.00%	0.00%
- 3 Months	June 1, 2023	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
- 3 Months	June 15, 2023	-	7,104,500	7,104,500	-	-	-	-	0.00%	0.00%
- 3 Months	June 22, 2023	1,870,000	7,000,000	8,870,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 13, 2023	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
- 3 Months	August 10, 2023	-	3,700,000	1,500,000	2,200,000	2,159,049	2,158,301	(748)	22.58%	25.28%
- 3 Months	September 7, 2023	-	1,000,000	-	1,000,000	985,075	984,899	(174)	10.10%	11.30%
- 3 Months	September 21, 2023	-	2,707,000	500,000	2,207,000	2,111,988	2,111,600	(388)	22.10%	24.74%
<b>Market Treasury Bills</b>										
- 8 Months	June 15, 2023	-	13,800	13,800	-	-	-	-	0.00%	0.00%
<b>Market Treasury Bills</b>										
- 12 Months	June 15, 2023	1,800,000	-	1,700,000	500,000	438,755	430,931	(7,824)	4.51%	5.05%
- 12 Months	June 22, 2023	200,000	150,000	175,000	175,000	150,462	149,888	(775)	1.57%	1.75%
<b>Total as at September 30, 2023</b>						<b>5,823,309</b>	<b>5,815,419</b>	<b>(7,890)</b>		
<b>Total as at June 30, 2023</b>						<b>3,080,617</b>	<b>3,088,339</b>	<b>(7,722)</b>		

### Pakistan Investment Bonds

Name of security	Date of issue	Face Value			As at September 30, 2023	Balance as at September 30, 2023			Market value as a	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealized gain / (loss)	Net Assets	Total Investments
(Rupees in '000)										
<b>Pakistan Investment Bonds FHD</b>										
- 02 years	December 30, 2021	1,360,000	1,000,000	2,360,000	-	-	-	-	0.00%	0.00%
- 02 years	September 8, 2022	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
- 02 years	April 6, 2023	-	6,569,000	6,569,000	-	-	-	-	0.00%	0.00%
<b>Pakistan Investment Bonds FHD</b>										
- 03 years	April 7, 2022	250,000	-	-	250,000	245,240	245,560	320	2.57%	2.88%
<b>Pakistan Investment Bonds FHD</b>										
05 years	May 6, 2021	850,000	-	850,000	-	-	-	-	0.00%	0.00%
05 years	April 6, 2022	-	200,000	200,000	-	-	-	-	0.00%	0.00%
05 years	August 10, 2023	-	850,000	850,000	-	-	-	-	0.00%	0.00%
<b>Pakistan Investment Bonds FHD</b>										
- 10 years	August 22, 2018	35,000	-	-	35,000	33,453	33,518	65	0.35%	0.39%
<b>Pakistan Investment Bonds</b>										
- 03 years	July 4, 2023	-	6,000,000	6,000,000	-	-	-	-	0.00%	0.00%
<b>Pakistan Investment Bonds</b>										
- 5 years	October 13, 2022	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
<b>Total as at September 30, 2023</b>						<b>278,693</b>	<b>275,866</b>	<b>273</b>		
<b>Total as at June 30, 2023</b>						<b>2,285,148</b>	<b>2,280,140</b>	<b>(5,008)</b>		

### Government Debt securities

Name of security	Date of issue	Number of certificate			As at September 30, 2023	Balance as at September 30, 2023			Market value as a	
		As at July 01, 2023	Purchased during the period	Sold during the period		Carrying value	Market value	Unrealized gain / (loss)	Net Assets	Total Investments
(Rupees in '000)										
DCP 5yrs - 1 year	01 Mar 22	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
DCP 5yrs - 1 year	17 Apr 22	50,000	300,000	-	350,000	350,979	350,800	179	3.82%	6.51%
DCP 5yrs - 1 year	20 Sep 22	-	100,000	-	100,000	100,000	100,875	875	1.21%	1.49%
<b>DCP 5yrs - 3 years</b>										
DCP 5yrs - 3 years	29 May 21	710,000	-	-	710,000	708,359	708,343	(166)	1.14%	1.29%
DCP 5yrs - 3 years	24 Jun 20	-	80,000	-	80,000	80,107	80,277	170	0.84%	1.05%
DCP 5yrs - 3 years	29 Jul 20	-	50,000	-	50,000	49,628	49,720	92	0.54%	0.68%
DCP 5yrs - 3 years	01 Oct 21	180,000	-	-	180,000	180,000	180,007	7	1.80%	2.16%
DCP 5yrs - 3 years	29 Oct 22	200,000	-	-	200,000	198,497	198,343	(154)	2.08%	2.49%
<b>Total as at September 30, 2023</b>						<b>1,807,079</b>	<b>1,812,428</b>	<b>5,349</b>		
<b>Total as at June 30, 2023</b>						<b>543,287</b>	<b>542,773</b>	<b>(514)</b>		

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

### 5.2 Listed debt securities - term finance certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates			As at September 30, 2023	Balance as at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total
	As at July 01, 2023	Purchased during the period	Disposed/ Matured during the period		Carrying value	Market value	Unrealised (loss) / gain		
					(Rupees in '000)			%	
<b>Financial Services</b>									
Saudi Pak Leasing Company Limited (March 13, 2010)	10,000	-	-	10,000	27,548	-	-	-	-
Less: Provision for impairment					(27,548)	-	-	-	-
<b>As at September 30, 2023 (Un-Audited)</b>					<b>-</b>			<b>-</b>	
<b>As at June 30, 2023 (Audited)</b>					<b>-</b>			<b>-</b>	

### 5.2.1 Unlisted debt securities - term finance and sukuk certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates			As at September 30, 2023	Balance as at September 30, 2023			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	Disposed/ Matured during the period		Carrying value	Market value	Unrealised (loss) / gain		
					(Rupees in '000)			%	
<b>Commercial banks</b>									
Askari Bank Limited VII - TFC (March 17, 2020) (see note 5.1.10)	-	-	-	50	49,488	48,750	(738)	0.51%	0.57%
Samba bank limited (March 1, 2021)**	850	-	-	850	84,915	84,308	(607)	0.88%	0.99%
Meezan Bank Limited (December 16, 2021)*	145	-	-	145	143,550	143,282	(268)	1.50%	1.68%
Bank Al Habib Limited - TFC II (September 30, 2021) ***	35,000	-	-	35,000	345,523	349,551	4,028	3.66%	4.09%
					<b>623,476</b>	<b>625,891</b>	<b>2,415</b>	<b>6.55%</b>	<b>7.33%</b>
<b>Chemicals</b>									
Ghani Gases Limited - Sukuk *(February 02, 2017)	500	-	-	500	3,833	3,913	80	0.04%	0.05%
					<b>3,833</b>	<b>3,913</b>	<b>80</b>	<b>0.04%</b>	<b>0.05%</b>
<b>Energy</b>									
Pakistan Energy Sukuk (May 21, 2020)***	100,000	-	-	100,000	500,041	500,100	59	5.23%	5.86%
					<b>500,041</b>	<b>500,100</b>	<b>59</b>	<b>5.23%</b>	<b>5.86%</b>
<b>Investment Bank</b>									
Jahangir Siddiqui and Company Limited- TFC ( July 18, 2010)	10,000	-	10,000	-	-	-	-	0.00%	0.00%
Jahangir Siddiqui & Co. Ltd. - TFC (March 06, 2018)	18,000	-	18,000	-	-	-	-	0.00%	0.00%
					<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Household goods</b>									
New Allied Electronics Industries (Private) Limited (May 15, 2007) (refer note 5.4.1)	10,400	-	-	10,400	21,983	-	-	-	-
Less: Provision for impairment					(21,983)	-	-	-	-
					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
New Allied Electronics Industries (Private) Limited Sukuk (July 25, 2007) (refer note 5.4.1)	112,000	-	-	112,000	35,001	-	-	-	-
Less: Provision for impairment					(35,001)	-	-	-	-
					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at September 30, 2023 (Un-Audited)</b>					<b>1,127,350</b>	<b>1,129,904</b>	<b>2,554</b>		
<b>As at June 30, 2023 (Audited)</b>					<b>1,167,856</b>	<b>1,150,781</b>	<b>(17,075)</b>		

\* Nominal value of this sukuk certificate is Rs.1,000,000 per certificate.

\*\* Nominal value of this sukuk certificate is Rs.100,000 per certificate.

\*\*\* Nominal value of this sukuk certificate is Rs.5,000 per certificate.

### 5.2.2 Details of non-compliant investments with the investment criteria as specified by the SECP

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at September 30, 2019, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by respective issuer in repayment of coupon due on respective dates.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
<b>Listed debt securities</b>						
Saudi Pak Leasing Company Limited		27,548	(27,548)	-	0.00%	0.00%
<b>Unlisted debt securities</b>						
New Allied Electronics Industries (Private) Limited		21,983	(21,983)	-	0.00%	0.00%
New Allied Electronics Industries (Private) Limited		35,001	(35,001)	-	0.00%	0.00%



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
<b>6 ACCRUED AND OTHER LIABILITIES</b>			
Federal Excise Duty on remuneration to the Management Company	7.2	99,060	99,060
Federal Excise Duty and related taxes payable on sales load		27,933	27,933
Auditors' remuneration		897	671
Withholding tax payable		1,733	7,252
Brokerage payable		331	787
Dividend Payable		9	9
Others		1,654,773	194,275
		<u>1,784,737</u>	<u>329,987</u>

**6.1 Federal Excise Duty and related tax payable**

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 September 30, 2023 would have been higher by Rs. 1.51 per unit (June 30, 2023: Re. 1.78 per unit).

**7 CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

On November 03, 2020, DCF Income Fund (DCFIF) received a notice of tax demand for the Tax Year 2018 from the Additional Commissioner (Inland) Revenue (ACIR), whereby the ACIR raised objection on claiming of "income already paid on units redeemed" as part of distribution and thereby challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR is of the view that the amount of "Cash Dividend" paid can only be treated as part of distribution and according to his view the amount of "income already paid on units redeemed" is not "Cash Dividend". The ACIR raised tax demand of Rs. 73.376 million on the Fund in respect of the Tax Year 2018. The Management Company on behalf of the Fund filed Appeal and Stay Application in front of Commissioner Appeals (CIRA), Stay Order was duly granted by CIRA. On November 25, 2021, Assessment Order issued by ACIR was remanded back by CIRA. Since then, no notice / Order has yet been issued from FBR.

On December 01, 2021, DCF Income Fund (DCFIF) received a notice of tax demand for the Tax Year 2017 from the Additional Commissioner (Inland) Revenue (ACIR), whereby ACIR raised objections on claiming of "provision against debt securities" amounting to Rs. 7.943 million and adjustment of the "Element of loss and capital losses" amounting to Rs. 151.140 million while arriving at the declared accounting income of the Fund and has challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR raised a tax demand of Rs 138.821 million. The Management Company on behalf of the Fund filed Appeal and Stay Application in front of Commissioner Appeals (CIRA).

On March 31, 2022, a favorable Appellate Order was passed by Commissioner Appeals whereby it was directed that the benefit of Element of Loss should be allowed to the Company.

On June 14, 2022, FBR being aggrieved with said Order filed Appeal with Appellate Tribunal Inland Revenue. Management Company, in consultation with its advisor, anticipates a favorable outcome of the case.

**7.2 Commitments**

There were no other material contingencies and commitments outstanding as at September 30, 2023 and June 30, 2023.

**8 Cash And Cash Equivalents**

	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Balances with banks - savings accounts	2,543,579	3,929,019
3 Months Maturity T-Bills	5,234,800	1,592,126
	<u>7,778,379</u>	<u>5,521,145</u>



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

**9 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.

**10 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.

**11 TOTAL EXPENSE RATIO**

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 2.92% (September 30, 2022: 2.34%) and this includes 0.28% (September 30, 2022: 0.2%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**12 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 and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**12.1 Unit Holders' Fund**

	For the quarter ended September 30, 2023 (Un-Audited)							
	As at July 01, 2023	Issuance	Redeemed	As at September 30, 2023	As at July 01, 2023	Issuance	Redeemed	As at September 30, 2023
	Units				(Rupees in '000)			
<b>Group / associated companies</b>								
MCB Employees' Provident Fund (Pak Staff)	2,092,430	-	-	2,092,430	237,340	-	-	237,340
MCB Employees' Pension Fund	2,092,430	-	-	2,092,430	225,988	-	-	237,340
Lalpir Staff Gratuity Fund Trust	36,279	-	-	36,279	3,918	-	-	4,115
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	6,294	-	6,294	-	680	-	695	-
<b>Key Management Personnel</b>	5	-	3	2	-	-	0	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	For the quarter ended September 30, 2022 (Un-Audited)							As at September 30, 2022
	As at July 01, 2022	Issuance	Redeemed	As at September 30, 2022	As at July 01, 2022	Issuance	Redeemed	
	Units			(Rupees in '000)				
<b>Group / associated companies</b>								
MCB Employees' Provident Fund (Pak Staff)	1,823,176	-	-	1,823,176	202,292	-	-	202,292
MCB Employees' Pension Fund	1,823,176	-	-	1,823,176	196,908	-	-	202,292
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	5,484	-	-	5,484	592	-	-	609
Key Management Personnel	1	-	-	1	-	-	-	-
Mandate under discretionary portfolio services	6	-	-	6	-	-	-	1

(Un-Audited)  
September 30, 2023      September 30, 2022  
----- (Rupees in '000) -----

**12.2 Transactions during the period:**

**Management Company**

**MCB Investments Management Limited - Management Company  
(Formerly: MCB Arif Habib Savings and Investments Limited)**

Remuneration (including indirect taxes)	34,946	20,572
Expense allocated by the Management Company	2,062	1,214
Marketing and selling Expense	18,349	4,733

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration (including indirect taxes)	1,747	1,029
Settlement charges	76	1

**Group / associated companies**

**MCB Bank Limited**

Mark-up on deposit accounts	1	-
Bank charges	13	9

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	(Un-Audited) September 30, 2023	(Audited) June 30 2023
	-----	-----
	(Rupees in '000)	
<b>12.3 Balances outstanding at period end:</b>		
<b>MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)</b>		
Management remuneration payable	10,802	9,068
Sindh sales tax payable on remuneration of the management company	1,404	1,179
Allocated expenses payable	720	605
Selling and marketing expenses payable	18,349	7,833
Sales load payable	13,953	7,170
Back End Load Payable	2,795	900
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposit	200	200
Remuneration payable (including indirect taxes)	611	512
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Balances with bank	407,000	55,042
<b>MCB Islamic Bank Limited</b>		
Balances with bank	6	7

**13. GENERAL**

- 13.1. Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.
- 13.2. Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation.

**14. FAIR VALUE MEASUREMENTS**

International Financial Reporting Standard 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:

Financial assets which are tradable in an open market are revalued at the 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.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

**15. DATE OF AUTHORISATION**

These condensed interim financial statements were authorized for issue on 18 October, 2023 by the Board of Directors of the Management Company.

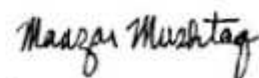
For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**MCB INVESTMENT MANAGEMENT LIMITED**

(Formerly: MCB Arif Habib Savings and Investments Limited)

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

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

**URL:** [www.mcbfunds.com](http://www.mcbfunds.com), **Email:** [info@mcbfunds.com](mailto:info@mcbfunds.com)