



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)



# **PAKISTAN INCOME FUND**

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## 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 Shahra-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 Tameer 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>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> (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 **Pakistan 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 19.91% as against its benchmark return of 23.89%.

At period end, the fund was 17.9% in TFCs, 68.3% in T-Bills and 7.4% in Cash. The weighted average maturity of the fund stood at 1.3 years.

The Net Assets of the Fund as at September 30, 2023, stood at Rs. 2598 million as compared to Rs. 2724 million as at June 30, 2023 registering a decrease of 4.63%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 57.386 as compared to the opening NAV of Rs. 54.6443 per unit as at June 30, 2023 registering an increase of Rs. 2.7417 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**

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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.

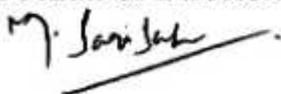
### **Mutual Fund Industry Outlook**

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 شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

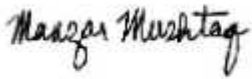
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء



منظر مشتاق

ڈائریکٹر



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 انکم 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 انکم 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 سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

## ڈائریکٹرز رپورٹ

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 ہو گئی۔

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 اسے گھٹانے 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 روپیہ 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 ہیڈ 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 cap کا 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 کی 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 PER پر

## ڈائریکٹرز رپورٹ

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 گراوٹ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمداتی 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 19.91 فیصد تھا جبکہ اس کا بیچ مارک منافع 23.89 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری 17.9 فیصد ٹی ایف سی میں، 68.3 فیصد ٹی ہلز میں اور 7.4 فیصد نقد میں تھی۔ فنڈ کی پالوزن اوسط میچورٹی 1.3 سال کی سطح پر تھی۔

30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 2598 ملین روپے تھے، جبکہ 30 جون 2023ء کو 2724 ملین روپے تھے، یعنی 4.63 فیصد کمی ہوئی۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 57.386 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 54.6443 روپے فی یونٹ تھی، یعنی 2.7417 روپے فی یونٹ اضافہ ہوا۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس کن کارکردگی کے بعد مالی سال 2024ء میں 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۔

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

معیشت اور بازار 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 اگریمینٹ (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 ایشیا 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 صارفین کی 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۔ ایشیائی 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 میں جو جو 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

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

	Note	Un-Audited September 30, 2023	Audited June 30, 2023
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances		192,709	314,613
Investments	6	2,383,219	2,374,533
Profit receivable		29,963	46,458
Advances, deposits, prepayments and other receivables		13,629	13,532
<b>Total Assets</b>		<b>2,619,520</b>	<b>2,749,136</b>
<b>LIABILITIES</b>			
Payable to the Management Company		9,349	9,243
Payable to Central Depository Company of Pakistan Limited - Trustee		186	198
Payable to the Securities and Exchange Commission of Pakistan		165	652
Payable against redemption of units		47	47
Accrued expenses and other liabilities	7	11,879	15,151
<b>Total liabilities</b>		<b>21,627</b>	<b>25,291</b>
<b>NET ASSETS</b>		<b>2,597,893</b>	<b>2,723,845</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,597,893</b>	<b>2,723,845</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>45,270,523</b>	<b>49,846,864</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>57.3860</b>	<b>54.6443</b>

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

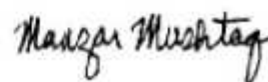
For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	September 30, 2023	September 30, 2022
----- (Rupees in '000) -----			
<b>INCOME</b>			
Markup / return on Investments		132,527	94,956
(Loss) / gain on sale of investments - net		(12,844)	8,344
Markup on deposits with banks		24,918	36,022
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net		1,372	(4,342)
Other income		1,774	142
<b>Total income</b>		<b>147,746</b>	<b>135,122</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		3,532	4,919
Sindh sales tax on remuneration of the Management Company		459	639
Allocated expenses		1,551	1,022
Marketing and selling expenses		7,166	2,253
Remuneration of Central Depository Company of Pakistan Limited - Trustee		513	654
Sindh sales tax on remuneration of Trustee		67	85
Annual fee of Securities and Exchange Commission of Pakistan		513	174
Brokerage expense		86	146
Legal, professional and other charges		79	67
Settlement and bank charges		310	261
Fees and subscription		135	130
Auditors' remuneration		189	177
Printing and related costs		25	31
<b>Total operating expenses</b>		<b>14,625</b>	<b>10,558</b>
<b>Net income for the period before taxation</b>		<b>133,121</b>	<b>124,564</b>
Taxation	11	-	-
<b>Net income for the period after taxation</b>		<b>133,121</b>	<b>124,564</b>
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		133,121	124,564
Income already paid on units redeemed		(10,563)	(11,557)
		<b>122,558</b>	<b>113,007</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		-	3,506
Excluding capital gains		122,558	109,501
		<b>122,558</b>	<b>113,007</b>
Earning/ (Loss) per unit	12		

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

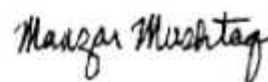
For MCB Investment Management Limited  
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(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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	September 30, 2023 —— (Rupees in '000) ——	September 30, 2022 —— (Rupees in '000) ——
Net income for the period after taxation	133,121	124,564
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>133,121</b>	<b>124,564</b>

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

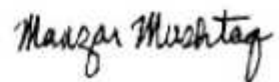
For MCB Investment Management Limited  
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(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	For the period ended September 30,					
	2023			2022		
	(Rupees in '000)					
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net assets at beginning of the period	2,593,728	130,117	2,723,845	3,087,097	122,928	3,210,025
Issue of 22,890,862 units (2022: 44,608,049 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,250,854	-	1,250,854	2,425,149	-	2,425,149
- Element of income	49,496	-	49,496	50,405	-	50,405
	1,300,350	-	1,300,350	2,475,554	-	2,475,554
Redemption of 27,467,203 units (2022: 40,663,109 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,500,925)	-	(1,500,925)	(2,210,680)	-	(2,210,680)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(47,936)	(10,563)	(58,499)	(38,118)	(11,557)	(49,675)
	(1,548,861)	(10,563)	(1,559,424)	(2,248,797)	(11,557)	(2,260,355)
Total comprehensive income for the period	-	133,121	133,121	-	124,564	124,564
	-	133,121	133,121	-	124,564	124,564
<b>Net assets at end of the period</b>	<b>2,345,217</b>	<b>252,675</b>	<b>2,597,893</b>	<b>3,313,853</b>	<b>235,935</b>	<b>3,549,788</b>
Undistributed income brought forward						
- Realised		153,352			110,314	
- Unrealised		(23,235)			12,614	
		130,117			122,928	
Accounting income available for distribution						
- Relating to capital gains		-			3,506	
- Excluding capital gains		122,558			109,501	
		122,558			113,007	
<b>Undistributed income carried forward</b>		<b>252,675</b>			<b>235,935</b>	
Undistributed income carried forward						
- Realised		251,303			240,277	
- Unrealised		1,372			(4,342)	
		252,675			235,935	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		54.6443			54.3657	
Net assets value per unit at end of the period		57.3860			56.3548	

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

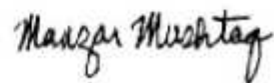
For MCB Investment Management Limited  
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(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

	September, 2023	September 30, 2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	133,121	124,564
<b>Adjustments for:</b>		
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	(1,372)	4,342
	<u>131,749</u>	<u>128,906</u>
<b>Decrease / (Increase) in assets</b>		
Investments	1,053,814	317,108
Profit receivable	16,495	8,175
Advances, deposits, prepayments and other receivables	(97)	(3,371)
	<u>1,070,212</u>	<u>321,912</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	106	(2,753)
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(31)
Payable to the Securities and Exchange Commission of Pakistan	(487)	(1,241)
Payable against purchase of investment	-	(1,875,815)
Accrued expenses and other liabilities	(3,272)	(41,028)
	<u>(3,664)</u>	<u>(1,920,867)</u>
<b>Net cash generated / (used in) from operating activities</b>	<u>1,198,296</u>	<u>(1,470,049)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	1,300,350	2,475,554
Amount paid against redemption of units	(1,559,424)	(2,260,355)
<b>Net cash (used in) / generated from financing activities</b>	<u>(259,074)</u>	<u>215,199</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>939,222</u>	<u>(1,254,850)</u>
Cash and cash equivalents at the beginning of the period	13 1,042,937	2,432,713
<b>Cash and cash equivalents at the end of the period</b>	<u>13 1,982,159</u>	<u>1,177,863</u>

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

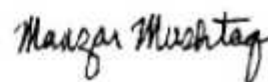
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(Management Company)



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

Pakistan Income Fund (the Fund) was established under a Trust Deed executed between MCB - Arif Habib Savings and Investments Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules). Due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" the Fund is required to be registered under the said Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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.

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.

The Fund is an open-end collective investment scheme categorised as an "Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs. 50 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 is listed on the Pakistan Stock Exchange Limited.

The Fund primarily invests in money market and other short-term placements / instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of "AM1" dated October 06, 2023, to the Management Company and the stability rating of AA-(f) to the Fund dated September 01, 2023.

The 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

#### STATEMENT OF COMPLIANCE

2.1.1 This 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 applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRSs) 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
- Non-Banking Finance Companies (Establishment and Regulations) 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 from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and the 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 quarter 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 state of affairs 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 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

The preparation of the condensed interim financial statements in conformity with 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.

	Note	Un-Audited September 30, 2023 ----- (Rupees in '000) -----	Audited June 30, 2023
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	183,744	300,701
In current accounts	4.2	<u>8,964</u>	<u>13,912</u>
		<u>192,709</u>	<u>314,613</u>

- 4.1 These carry profit at the rates ranging to 20.50% (June 2023: 12.25% to 19.50%) per annum and include Rs 0.04 million (June 2023: Rs 0.046 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 20.50% (June 2023: 19.5%) per annum.

- 4.2 This include Rs 8.957 million (2023: Rs 13.904 million) maintained with MCB Bank Limited (a related party).

	Note	Un-Audited September 30, 2023 ----- (Rupees in '000) -----	Audited June 30, 2023
<b>5 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss' - net</b>			
Government securities - Market Treasury Bills & Pakistan			
Investment Bonds & GOP Ijara Securities	5.1	1,914,425	1,887,200
Term finance certificates - listed	5.2	-	-
Term finance certificates - unlisted	5.3	465,037	481,813
Sukuks certificates - unlisted	5.4	3,757	5,520
		<u>2,383,219</u>	<u>2,374,533</u>

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

## 5.1 Financial assets 'at fair value through profit or loss' - net

### 5.1.1 Government securities - Market Treasury Bills

Particulars	Issue date	Face value			As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the period	Sold/Redeemed during the period	As at September 30, 2023	Carrying value	Market value		
(Rupees in '000)									
Treasury bills - 3 months	22-Jun-23	-	1,500,000	1,500,000	-	-	-	-	-
Treasury bills - 3 months	16-May-23	300,000	450,000	700,000	-	-	-	-	-
Treasury bills - 3 months	13-Jul-23	-	1,000,000	1,000,000	-	-	-	-	-
Treasury bills - 3 months	21-Sep-23	-	2,600,000	1,530,000	1,070,000	1,004,762	1,004,613	(149)	38
Treasury bills - 3 months	15-Jun-23	-	2,700,000	2,700,000	-	-	-	-	-
Treasury bills - 3 months	10-Aug-23	-	2,300,000	1,500,000	800,000	785,109	784,837	(272)	30
Treasury bills - 3 months	01-Jun-23	450,000	700,000	1,150,000	-	-	-	-	-
Treasury bills - 6 months	15-Jun-23	-	7,050,000	7,050,000	-	-	-	-	-
Treasury bills - 12 months	15-Jun-23	1,000,000	-	1,000,000	-	-	-	-	-
<b>Total as at September 30, 2023 (Un-Audited)</b>						<b>1,788,671</b>	<b>1,788,458</b>	<b>(421)</b>	
<b>Total as at June 30, 2023 (Audited)</b>						<b>1,557,177</b>	<b>1,548,960</b>	<b>(1,218)</b>	

### 5.1.2 Pakistan investment bonds - Floating Rate Bonds (FRB)

Particulars	Issue date	Face value			As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the period	Sold during the period	As at September 30, 2023	Carrying value	Market value		
(Rupees in '000)									
Pakistan Investment Bond - 3 years *	06-Apr-23	-	2,750,000	2,750,000	-	-	-	-	-
Pakistan Investment Bond - 2 years *	30-Dec-21	-	250,000	250,000	-	-	-	-	-
Pakistan Investment Bond - 5 years *	06-May-21	350,000	-	350,000	-	-	-	-	-
Pakistan Investment Bond - 5 years *	10-Aug-23	-	1,250,000	1,250,000	-	-	-	-	-
Pakistan Investment Bond - 5 years *	06-Apr-23	-	100,000	100,000	-	-	-	-	-
<b>Total as at September 30, 2023 (Un-Audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total as at June 30, 2023 (Audited)</b>						<b>242,584</b>	<b>236,740</b>	<b>(5,844)</b>	

### 5.1.3 Pakistan investment bonds

Particulars	Issue date	Face value			As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the period	Sold during the period	As at September 30, 2023	Carrying value	Market value		
(Rupees in '000)									
Pakistan Investment Bond - 3 years *	04-Jul-23	-	1,200,000	1,200,000	-	-	-	-	-
<b>Total as at September 30, 2023 (Un-Audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total as at June 30, 2023 (Audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	

### 5.1.4 (GOP) Ijara Sukkuks

Particulars	Issue date	Face value			As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the period	Sold during the period	As at September 30, 2023	Carrying value	Market value		
(Rupees in '000)									
GOP Ijara Sukkuks - 1 year *	20-Sep-23	-	125,000	-	125,000	125,000	124,975	(25)	4.81
<b>Total as at September 30, 2023 (Un-Audited)</b>						<b>125,000</b>	<b>124,975</b>	<b>(25)</b>	
<b>Total as at June 30, 2023 (Audited)</b>						<b>-</b>	<b>-</b>	<b>-</b>	

## 5.2 Term finance certificates - listed debt securities

Market value as at June 30	Note	September 30, 2023	June 30, 2023
		(Rupees in '000)	
	5.2.1	91,999	91,999
Less: Provision as at July 1	5.8	(49,940)	(49,940)
- Faze Pakistan Limited		(21,761)	(23,316)
- Telecom Limited		(18,743)	(18,743)
- Trust Investment Bank Limited		(9,436)	(9,436)
		<b>(90,444)</b>	<b>(91,999)</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**5.2.1 Listed debt securities - Term finance certificates**

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of certificates				As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at September 30, 2023	Carrying value	Market value	Unrealized diminution			
					—(Rupees in '000)—			—(%)—		
<b>Investment Banks / Investment Companies / Securities Companies</b>										
Trust Investment Bank Limited										
- Due but not received (Note 6.2)	10,000	-	-	10,000	18,743	(18,743)	-	-	-	-
<b>Miscellaneous</b>										
Pace Pakistan Limited										
- Due but not received (Note 6.2)	10,000	-	-	10,000	49,940	(49,940)	-	-	-	-
<b>Technology &amp; Communication</b>										
Telecard Limited										
- Due but not received (Note 6.2)	19,975	-	-	19,975	21,761	(21,761)	-	-	-	-
<b>Total as at September 30, 2023 (Un-Audited)</b>					<b>90,444</b>	<b>(90,444)</b>	<b>-</b>			
<b>Total as at June 30, 2023 (Audited)</b>					<b>91,999</b>	<b>(91,999)</b>	<b>-</b>			

- Face value of the certificate is Rs. 100,000.

**5.3 Term finance certificates - unlisted debt securities**

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of certificates				As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at September 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)			
					—(Rupees in '000)—			—(%)—		
<b>Commercial Banks</b>										
Askari Bank Limited										
	30	-	-	30	29,893	29,250	(443)	1.13	1.23	0.73
Bank AL Habib Limited										
	53,000	-	35,000	18,000	251,511	254,660	3,050	10.19	11.11	6.62
The Bank of Punjab										
	1,730	-	-	1,730	171,992	171,127	(866)	6.59	7.18	4.07
<b>Investment Banks / Investment Companies / Securities Companies</b>										
Jahangir Siddiqui & Company Limited										
	22,000	-	22,000	-	-	-	-	-	-	-
<b>Total as at September 30, 2023 (Un-Audited)</b>					<b>463,296</b>	<b>465,037</b>	<b>1,741</b>			
<b>Total as at June 30, 2023 (Audited)</b>					<b>492,488</b>	<b>481,813</b>	<b>(10,675)</b>			

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

5.3.1 Significant terms and conditions of term finance certificates outstanding as at September 30, 2023 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Commercial Banks</b>				
Askari Bank Limited	3 months KIBOR + 1.20%	17-Mar-20	17-Mar-30	AA
The Bank of Punjab	6 months KIBOR + 1.25%	23-Apr-18	23-Apr-28	AA
Bank AL Habib Limited	6 months KIBOR + 0.75%	30-Sep-21	30-Sep-31	AAA
<b>Investment Banks / Investment Companies / Securities Companies</b>				
Jahangir Siddiqui & Company Limited	6 months KIBOR + 1.40%	6-Mar-18	6-Mar-23	AA+

5.4 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size	
	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at September 30, 2023	Carrying value	Market value				Unrealised appreciation / (diminution)
					—(Rupees in '000)—			—(%)—		
<b>Chemical</b>										
Ghani Gases Limited	480	-	-	480	3,680	3,757	77	0.14	0.16	0.04
Total as at September 30, 2023 (Un-Audited)					3,680	3,757	77			
Total as at June 30, 2023 (Audited)					5,520	5,520	-			

\* Face value of the certificate is Rs. 1,000,000.

5.4.1 Significant terms and conditions of Sukuk certificates outstanding as at September 30, 2023 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Chemical</b>				
Ghani Gases Limited	3 months KIBOR + 1.00%	2-Feb-17	2-Feb-24	A

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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		September 30, 2023	June 30, 2023
		----- (Rupees in '000) -----	
<b>6</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Management remuneration payable	6.1	964
	Sindh sales tax payable on management remuneration	6.2	125
	Sales load payable		239
	Payable against allocated expenses	6.3	855
	Payable against marketing and selling expenses	6.4	7,166
		<u>9,349</u>	<u>9,243</u>

6.1 The management company charged management fee at the rate of up to 10% of the gross earnings of the scheme, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 Sales tax on management remuneration has been charged at the rate of 13%.

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

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

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

		September 30, 2023	June 30, 2023
		----- (Rupees in '000) -----	
	SECP Fee Payable	165	1,206
		<u>165</u>	<u>1,206</u>

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

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

		September 30, 2023	June 30, 2023
		----- (Rupees in '000) -----	
<b>8</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty and related tax on		
	- Management fee	8.1	9,210
	- Sales load		239
	Legal and professional charges		32
	Withholding tax on capital gains		1,063
	Auditors' remuneration		721
	Brokerage		72
	Others		543
		<u>11,879</u>	<u>15,151</u>

**8.1 Federal Excise Duty (FED) 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 audited financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in this 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. 0.21 per unit (June 30, 2023: Re. 0.19 per unit).

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

**9 CONTINGENCIES AND COMMITMENTS**

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

**10 TOTAL EXPENSE RATIO**

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 2.13% which includes 0.15% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**11 TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore, no provision for taxation has been made in these condensed interim financial statements during the period. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**12 EARNINGS PER UNIT**

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

**13 CASH AND CASH EQUIVALENTS**

		Un-Audited September 30, 2023	Audited June 30, 2023
		----- (Rupees in '000) -----	
Bank balances	4	192,709	314,613
Government securities - Treasury bill		1,789,450	728,324
		<u>1,982,159</u>	<u>1,042,937</u>

**14 TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS**

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors, key management personnel and officers of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:



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

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

	For the quarter ended September 30, 2023				For the quarter ended September 30, 2022			
	As at July 1, 2023	Issued for cash	Redeemed	As at September 30, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022
	Units				Units			
	(Rupees in '000)				(Rupees in '000)			
Adami-ee Life Assurance Company Limited	3,399,417	-	-	3,399,417	185,759	-	-	195,079
D.G Khan Cement Company Limited - Employees Provident Fund Trust	550,369	-	550,369	-	30,075	-	30,783	-
Security General Insurance Company Limited Employees Provident Fund Trust	127,813	-	-	127,813	6,984	-	-	7,335
Nishat Paper Products Company Limited Staff Provident Fund Trust	146,625	-	146,625	-	8,012	-	8,114	-
<b>Directors and key management personnel of the Management Company</b>	<b>8</b>	<b>70,440</b>	<b>67,382</b>	<b>3,066</b>	<b>-</b>	<b>3,929</b>	<b>3,757</b>	<b>176</b>
<b>Mandate under discretionary portfolio</b>	<b>63,635</b>	<b>47</b>	<b>-</b>	<b>63,682</b>	<b>3,477</b>	<b>3</b>	<b>-</b>	<b>3,654</b>
Unit holders holding 10% or more units	5,912,150	41,822	-	5,953,972	323,065	2,398	-	341,675
	Units				Units			
	(Rupees in '000)				(Rupees in '000)			
Adami-ee Life Assurance Company Limited	2,940,965	-	-	2,940,965	159,866	-	-	165,737
D.G Khan Cement Company Limited - Employees Provident Fund Trust	476,146	-	-	476,146	25,886	-	-	26,833
Security General Insurance Company Limited Employees	110,576	-	-	110,576	6,012	-	-	6,231
<b>Directors and key management personnel of the Management Company</b>	<b>7</b>	<b>240,448</b>	<b>240,446</b>	<b>9</b>	<b>-</b>	<b>13,502</b>	<b>13,512</b>	<b>-</b>
<b>Mandate under discretionary portfolio services</b>	<b>100,520</b>	<b>23,065</b>	<b>62,256</b>	<b>61,329</b>	<b>5,465</b>	<b>1,269</b>	<b>3,438</b>	<b>3,456</b>

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

**14.2 Details of transactions with related parties / connected persons during the year**

	Un-Audited September 30, 2023	Un-Audited September 30, 2022
	----- (Rupees in '000) -----	
<b>MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)</b>		
Remuneration including indirect taxes	3,991	5,559
Allocated expenses	1,551	1,022
Marketing and selling expense	7,166	2,253
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	579	739
CDS charges	7	11
<b>MCB Bank Limited - Parent of the Management Company</b>		
Profit on bank balances	2	1
Bank charges	8	7

**14.3 Details of balances with related parties / connected persons as at year end**

	Un-Audited September 30, 2023	Audited June 30, 2023
	----- (Rupees in '000) -----	
<b>MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)</b>		
Management remuneration payable	964	1,206
Sindh sales tax payable on management remuneration	125	157
Sales load payable	239	2,718
Payable against allocated expenses	855	350
Payable against marketing and selling expenses	7,166	4,812
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	165	175
Sindh sales tax payable on Trustee remuneration	21	23
Security deposit	200	200
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balance	8,999	13,950

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

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**15 FAIR VALUE MEASUREMENTS**

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

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

The following table shows financial instruments recognized at fair value, based on:

**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).

**16 CORRESPONDING FIGURES**

**16.1** Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

**16.2** Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation.

**17 DATE OF AUTHORISATION FOR ISSUE**

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

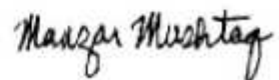
For MCB Investment Management Limited  
(Formerly: MCB-Arif Habib Savings and Investments Limited)  
(Management Company)



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

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