



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)



MCB CASH MANAGEMENT OPTIMIZER

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	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
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan	Zarai Taraqati Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited (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 Cash Management Optimizer** accounts review for 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 21.08% as against its benchmark return of 21.92%, a difference of 0.84%. WAM of the fund was 42 days at September end.

The fund was 50.4% in T-Bills as of September end. The Net Assets of the Fund as at September 30, 2023 decreased by 18.71% to Rs. 47,272 million as compared to Rs. 58,153 million as at June 30, 2023.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 102.2801 as compared to opening NAV of Rs. 101.6881 per unit as at June 30, 2023 registering an increase of Rs. 0.592 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.

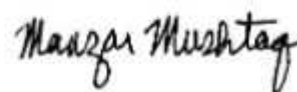
ACKNOWLEDGMENT

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

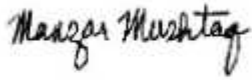
ڈائریکٹرز رپورٹ

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں 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۔

من جانب ڈائریکٹرز،





منظر مشتاق

ڈائریکٹر

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء

ڈائریکٹرز رپورٹ

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 کے 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 اگم 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 اسٹاک 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 اگم 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۔

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 ہو گئی۔

آئی ایم ایف پروگرام کی کامیابی 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 تا حال 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 گنگ 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

ڈائریکٹرز رپورٹ

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 جمود کو بنیادی طور پر برقرار رکھا کیونکہ افراد ذر 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 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، بالمتقابل 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 21.08 فیصد تھا، جبکہ اس کا بیخ مارک منافع 21.92 فیصد تھا، جو 0.84 فیصد کا فرق ہے۔ فنڈ کی WAM ستمبر کے اختتام پر 42 دن تھی۔ فنڈ کی سرمایہ کاری ستمبر کے اختتام پر 50.4 فیصد ٹی بلز میں تھی۔

30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات %18.71 کمی کے ساتھ 47,272 ملین روپے تھے، جبکہ 30 جون 2023ء کو 58,153 ملین روپے تھے۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 102.2801 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 101.6881 روپے فی یونٹ تھی، یعنی 0.592 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

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختصمہ 30 ستمبر 2023ء پیش خدمت ہے۔

معیشت اور بازار زر 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 اگریمنٹ (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۔ انٹرنیٹک 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 انٹرنیٹک کی شرحوں میں فرق ختم ہوا۔ باقاعدہ بنیادوں پر کارروائی اور اشیاء اور روپے کی اسمگلنگ کی روک تھام مُلک کے حالات میں بہتری کی نوید ہیں۔

مُلک 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۔

مُلک 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

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

	September 2023 (Unaudited)	June 2023 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	4 11,220,121	17,447,467
Investments	5 35,972,010	58,664,000
Advances, deposits, prepayments and other receivable	501,919	392,919
Total assets	47,694,050	76,504,386
LIABILITIES		
Payable to the Management Company	6 113,050	102,470
Payable to Central Depository Company of Pakistan Limited - Trustee	2,593	2,965
Payable to Securities and Exchange Commission of Pakistan	7 3,128	11,673
Payable against purchase of investments	-	18,144,541
Accrued expenses and other liabilities	8 302,865	89,306
Total liabilities	421,636	18,350,955
NET ASSETS	47,272,415	58,153,431
Unit holders' fund (as per statement attached)	47,272,415	58,153,431
Contingencies and Commitments	9	
	(Number of units)	
NUMBER OF UNITS IN ISSUE	462,185,753	571,880,450
	(Rupees)	
NET ASSETS VALUE PER UNIT	102.2801	101.6881

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

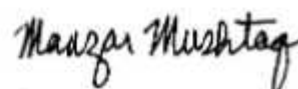
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 2023	September 2022
	(Rupees in '000)	
Note		
INCOME		
Capital gain on sale of investments - net	87,975	75,086
Profit on letter of placement	99,593	4,580
Profit on bank deposits	450,928	1,114,417
Profit on term deposits receipts	100,603	98,929
Income from government securities	2,121,307	595,431
	2,860,406	1,888,442
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(3,700)	-
Total income	2,856,706	1,888,442
EXPENSES		
Remuneration of Management Company	90,092	47,258
Sindh Sales tax on Management fee	11,712	6,144
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7,094	6,716
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited- Trustee	922	873
Annual fee of Securities and Exchange Commission of Pakistan	9,673	2,443
Allocated expenses	-	8,204
Marketing And Selling Expense	66,161	31,369
Legal and professional	78	34
Brokerage expenses	2,959	64
Auditor's remuneration	309	248
Other expenses	935	277
Total operating expenses	189,935	103,629
Net income from operating activities	2,666,771	1,783,438
Taxation	-	-
Net income for the period after taxation	2,666,771	1,783,438
Allocation of net income for the period:		
Net income for the period	2,666,771	1,783,438
Income already paid on units redeemed	(646,327)	(378,608)
	2,020,443	1,404,830
Accounting income available for distribution		
- Relating to capital gains	76,521	55,212
- Excluding capital gains	1,943,922	1,349,618
	2,020,443	1,404,830
Earnings per unit		

The annexed notes from 1 to 18 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 2023	September 2022
	----- (Rupees in '000) -----	
Net income for the period after taxation	2,666,771	1,783,438
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>2,666,771</u>	<u>1,783,438</u>

The annexed notes from 1 to 18 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 UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

Note	September 30 2023			September 30 2022		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	57,591,208	562,223	58,153,431	63,779,942	373,226	64,153,168
Issue of 577,948,369 units - including additional units (2022:589,382,257 units)						
- Capital value (at net asset value per unit at the beginning of the period)	58,770,472	-	58,770,473	59,731,181	-	59,731,182
- Element of income	597,689	-	597,689	427,118	-	427,118
	59,368,160	-	59,368,161	60,158,299	-	60,158,300
Redemption of 687,643,066 units (2022: 617,789,702 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(69,925,117)	-	(69,925,117)	(62,610,144)	-	(62,610,144)
- Element of income	(71,761)	(646,327)	(718,088)	(39,980)	(378,608)	(418,588)
	(69,996,878)	(646,327)	(70,643,205)	(62,650,124)	(378,608)	(63,028,732)
Total comprehensive income for the period	-	2,666,771	2,666,771	-	1,783,438	1,783,438
Interim distribution during the period	(523,969)	(1,748,775)	(2,272,743)	(387,200)	(1,353,357)	(1,740,557)
	(523,969)	917,996	394,027	(387,200)	430,081	42,881
Net assets at end of the period	46,438,522	833,892	47,272,415	60,900,917	424,698	61,325,616
Undistributed income brought forward comprising of:						
- Realised		655,050			373,226	
- Unrealised (loss) / gain		(92,827)			-	
		562,223			373,226	
Accounting income available for distribution						
- Relating to capital gains		76,521			55,211	
- Excluding capital gains		1,943,922			1,349,618	
		2,020,443			1,404,830	
Cash distribution during the period		1,748,775			1,353,357	
Undistributed income carried forward		833,892			424,698	
Undistributed income carried forward						
- Realised		837,591			424,698	
- Unrealised		(3,700)			-	
		833,892			424,698	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			101.6881			101.3454
Net assets value per unit at end of the period			102.2801			101.4304

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

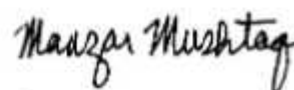
For MCB Investment Management Limited
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(Management Company)



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 2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	2,666,771	1,783,438
Adjustments for non cash and other items:		
Capital gain / (loss) on sale on investments - net	3,700	(75,086)
	3,700	(75,086)
	2,670,470	1,708,352
Decrease in assets		
Investments	(3,059,662)	(4,149,915)
Receivable against sale of securities	-	-
Prepayments and profit receivable	(109,000)	69,928
	(3,168,662)	(4,079,986)
(Decrease) / Increase in liabilities		
Payable to Management Company	10,580	22,836
Payable to Central Depository Company of Pakistan Limited - Trustee	(372)	(90)
Payable to Securities and Exchange Commission of Pakistan	(8,545)	(4,575)
Payable Against Purchase Of Investment - money market	(18,144,541)	-
Accrued expenses and other liabilities	213,559	(19,884)
	(17,929,319)	(1,713)
Net cash used in operating activities	(18,427,511)	(2,373,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issuance and conversion of units (excluding additional units)	58,844,192	59,771,100
Payment against redemption and conversion of units	(70,643,205)	(63,028,732)
Distributions made during the period	(1,748,775)	(1,353,357)
Net cash (used in) financing activities	(13,547,787)	(4,610,989)
Net increase in cash and cash equivalents	(31,975,298)	(6,984,337)
Cash and cash equivalents at beginning of the period	72,035,304	63,423,943
Cash and cash equivalents at end of the period	12 40,060,006	56,439,606

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

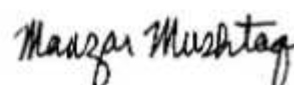
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(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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 Cash Management Optimizer (the Fund) was established through a Trust Deed 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 (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the fund had been re-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 Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.

1.3 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).

1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.

1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an 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 are 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

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 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.

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.

4 BALANCES WITH BANKS		September 2023 (Unaudited)	June 2023 (Audited)
----- (Rupees in '000) -----			
In current accounts		3,835	2,145
In saving accounts	4.1	11,216,286	17,445,322
	4.2	<u>11,220,121</u>	<u>17,447,467</u>

4.1 These carry profit at the rates ranging between 20.5% to 22.5 % (2023: 12.25% to 21.8 %) per annum

4.2 These include Rs.59.785 million (2023: 0.072 million) maintained with MCB Bank Limited , (a related party)

5 INVESTMENTS	Note	September 2023 (Un-audited)	June 2023 (Audited)
----- (Rupees in '000) -----			
5.1 Investments at fair value through profit or loss'			
Market Treasury Bills	5.1.1	24,039,885	58,664,000
Term deposit receipt & Placements	5.1.2	4,800,000	-
PIB FRB		7,132,125	
		<u>35,972,010</u>	<u>58,664,000</u>

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

5.1.1 Market treasury bills

Name of Security	Issue Date	Face value				As at 30 September 2023			Market value	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at Sep 30, 2023	Carrying value	Market value	Unrealized gain / (loss)	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)										
Market treasury bills - 3 months										
Market treasury bills	April 20, 2023	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	May 4, 2023	-	19,550,480	19,550,480	-	-	-	-	-	-
Market treasury bills	May 18, 2023	-	12,000,000	12,000,000	-	-	-	-	-	-
Market treasury bills	June 1, 2023	-	27,200,000	27,200,000	-	-	-	-	-	-
Market treasury bills	June 15, 2023	38,000,000	43,900,000	81,900,000	-	-	-	-	-	-
Market treasury bills	June 22, 2023	19,000,000	88,200,000	107,200,000	-	-	-	-	-	-
Market treasury bills	July 13, 2023	-	13,975,000	13,975,000	-	-	-	-	-	-
Market treasury bills	July 25, 2023	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	August 10, 2023	-	26,700,000	26,400,000	300,000	294,314	294,314	(0)	0.02	(0.00)
Market treasury bills	August 24, 2023	-	14,230,000	6,500,000	7,850,000	7,638,454	7,637,446	(1,009)	16.16	(0.00)
Market treasury bills	September 7, 2023	-	16,000,000	-	16,000,000	15,436,933	15,438,384	1,451	32.96	0.00
Market treasury bills	September 21, 2023	-	16,500,000	15,800,000	700,000	669,328	669,742	414	1.42	0.00
Market treasury bills - 6 months										
Market treasury bills	March 27, 2023	-	23,700,000	23,700,000	-	-	-	-	-	-
Market treasury bills	June 15, 2023	4,500,000	-	4,500,000	-	-	-	-	-	-
Market treasury bills - 12 months										
Market treasury bills	August 25, 2022	-	4,400,000	4,400,000	-	-	-	-	-	-
Total as at September 30, 2022						24,839,030	24,839,885	855		
Total as at June 30, 2023						58,756,827	58,664,000	(92,827)		

5.1.2 Term Deposit Receipts

Name of Investee Company	Issue Date	Face value				At September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		At July 01, 2023	Purchases during the period	Matured during the period	At September 30, 2023	Carrying value	Market value	Appreciation		
(Rupees in '000)										
Bank Alfalah Limited	August 28, 2023	-	4,800,000	-	4,800,000	4,800,000	4,800,000	-	1.04%	13%
Total as at September 30, 2023						4,800,000	4,800,000	-		
Total as at June 30, 2023						-	-	-		

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

	Note	September 30, 2023 (Unaudited) (Rupees in '000)	June 30, 2023 (Audited)
6 PAYABLE TO THE MANAGEMENT COMPANY			
Management fee payable	6.1	41,495	36,271
Sindh Sales Tax payable on remuneration of the Management Company	6.2	5,394	4,715
Allocated expense payable	6.3	-	-
Selling and marketing expenses payable	6.4	66,161	61,484
		<u>113,050</u>	<u>102,470</u>

6.1 The management company charged management fee at the rate up to 7.5% 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 (Unaudited) (Rupees in '000)	June 30, 2023 (Audited)
SECP fee payable	211,272	36,271
	<u>211,272</u>	<u>36,271</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.

	Note	September 30 2023 (Unaudited) (Rupees in '000)	June 30 2023 (Audited)
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related taxes on:	8.1		
-Management fee		54,267	54,267
-Sales load		19	19
Brokerage payable		2,048	2,610
Capital gain tax payable		24,860	24,740
Auditor's remuneration		1,154	845
Printing and related expenditure		65	40
Others		220,453	6,785
		<u>302,865</u>	<u>89,306</u>

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

8.1 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 Re. 0.117 per unit (June 30, 2023: Re. 0.095 per unit).

9 CONTINGENCIES AND COMMITMENTS

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

10 TAXATION

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

11 EARNINGS / (LOSS) PER UNIT

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

12 CASH AND CASH EQUIVALENTS	Note	September 30 2023 (Unaudited) (Rupees in '000)	June 30 2023 (Audited)
Balances with banks	4	11,220,121	17,447,467
Term Deposit Receipt Maturing Within 3 Months	5.1.2	4,800,000	-
Market Treasury Bills maturing within 3 Months		24,039,885	54,587,837
		<u>40,060,006</u>	<u>72,035,304</u>

13 TRANSACTIONS WITH CONNECTED PERSONS / 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:

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

	<u>September 30,</u>	
	2023	2022
	(Unaudited)	
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company		
(Formerly: MCB Arif Habib Savings and Investments Limited)		
Remuneration of the Management Company (including indirect taxes)	101,804	53,401
Allocated expenses	-	8,204
Selling and marketing expenses	66,161	31,369
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	8,017	7,589
MCB Bank Limited		
Profit on bank deposits	4,645	441
Bank Charges	74	33
Sale of face value 4000 m (2022: Nil)	3,867,037	-

13.1 Balance outstanding as at the period / year end are as follows:

	September	June
	2023	2023
	(Unaudited)	(Audited)
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company		
(Formerly: MCB Arif Habib Savings and Investments Limited)		
Management fee payable	41,495	36,271
Sindh sales tax payable on management fee	5,394	4,715
Allocated expenses payable	-	-
Marketing and Selling payable	66,161	61,484
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	2,295	2,624
Sindh sales tax payable on trustee fee	298	341
MCB Bank Limited		
Bank deposits	59,785	71,811
Profit Receivable	1,315	-

* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

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

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

	For quarter ended September 30, 2023 (Unaudited)							As at September 30, 2023
	As at July 01, 2023	Issued for cash	Redeemed	As at September 30, 2023	As at July 01, 2023	Issued for cash	Redeemed	
	Units				(Rupees in '000)			
Associated Companies								
MCB Investments Management Limited								
- Management Company	3,624,233	22,503,783	21,758,856	4,369,160	368,541	2,294,199	2,241,088	446,878
MCB Financial Services Limited	2,232	89	-	2,321	227	9	-	237
Lalpir Provident Fund	521,218	24,500	-	545,718	2,491	-	-	55,816
Lalpir Staff Gratuity Fund Trust	355,707	16,720	-	372,427	1,700	-	-	38,092
Adanjee Life Assurance Co. Ltd.	416,301	7,769	424,071	(0)	42,333	790	43,123	(0)
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	-	981,149	-	981,149	1	99,771	-	1
D.G. Khan Cement Company Limited	3	-	-	3	1	-	-	1
Adanjee Life Assurance Company Limited Employees Gratuity Fund	173,616	506,511	-	680,127	17,655	51,506	-	69,564
Adanjee Life Assurance Company Limited Employees Provident Fund	5,466	257	-	5,723	556	26	-	585
Security General Insurance Co. Ltd. Employees provident fund trust	107,284	5,043	-	112,327	10,910	513	-	11,489
Sayyed Engineers Limited	7,435	296	-	7,731	756	30	-	791
Adanjee Life Assurance Co. Ltd. Conventional Business	4,013,353	188,645	-	4,201,998	408,110	19,183	-	429,781
Nishat Paper Products Company Limited Staff Provident Fund Trust	68,081	246,021	-	314,102	6,923	25,017	-	32,126
Adanjee Life Assurance Co. Ltd Managed Growth Fund	1,790	5,548	5,464	1,873	182	584	564	182
Key management personnel	53,305,678	20,020,842	51,062,481	22,264,039	5,420,553	2,036,733	5,210,274	2,277,169
Mandate Under Discretionary								
Portfolio Services	7,373,642	11,551,816	11,943,457	6,981,998	749,812	1,175,709	1,232,213	714,120
Unit holders holding 10% or more units**	114,276,081	4,096,885	64,445,624	53,927,342	11,620,518	416,604	6,575,326	5,515,695

**These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

	For quarter ended September 30, 2022 (Unaudited)							As at September 30, 2022
	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022	As at July 01, 2022	Issued for cash	Redeemed	
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	-	13,538,044	11,161,531	2,376,513	-	1,376,462	1,141,815	243,070
Adanjee Life Insurance Company Ltd	2,737,042	1,050,105	3,787,146	-	278,325	106,423	387,615	-
MCB Financial Services Limited	18,208	444,030	460,224	2,014	1,852	45,059	47,000	206
Adanjee Life Assurance Co Ltd Isl ii	5,747,888	18,254,985	20,430,665	3,552,208	584,492	1,856,253	2,086,932	363,320
D.G. Khan Cement Company Limited	3	-	-	3	1	-	-	1
Nishat Power Limited Employees Provident Fund Trust	122,690	4,470	-	127,160	12,476	453	-	13,006
Adanjee Insurance Co.Ltd.								
Employees Gratuity Fund	333,855	12,164	-	346,019	33,949	1,233	-	35,391
Employees Provident Fund	665,703	24,256	-	689,959	67,694	2,458	-	70,569
Security General Insurance Co. Ltd. Employees provident fund trust	91,735	3,342	-	95,077	9,328	339	-	9,724
Sayyed Engineers Limited	6,508	201	-	6,709	662	20	-	686

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

14. TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 1.47% which includes 0.18% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

15. FAIR VALUE MEASUREMENTS

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

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

Financial assets which are 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.

Fair value hierarchy

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:

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. INTERIM DISTRIBUTION DURING THE PERIOD

	September 30, 2023			
	(Unaudited)			
	Rate per unit	Declaration date	Refund of Capital	Distribution of Income
	-- (Rupees in '000) --			
For the period ended 01 Aug 2023	Rs 1.8978	August 2, 2023	182,190	743,316
For the period ended 30 Aug 2023	Rs 1.6149	August 31, 2023	193,590	570,358
For the period ended 20 Sep 2023	Rs 1.1953	September 21, 2023	148,189	435,095
			<u>523,969</u>	<u>1,748,775</u>

17. GENERAL

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

17.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

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

18. DATE OF AUTHORISATION

These condensed interim financial statements were authorized 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)

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