



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 CASH MANAGEMENT FUND

TABLE OF CONTENTS

1	Fund's Information	129
2	Report of the Directors of the Management Company	130
3	Condensed Interim Statement of Assets And Liabilities	138
4	Condensed Interim Income Statement (Un-audited)	139
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	140
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	141
7	Condensed Interim Cash Flow Statement (Un-audited)	142
8	Notes to and forming part of the Condensed Interim Financial Statements	143

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	Digital Custodian Company Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Allied Bank Limited Bank Al-Habib Limited Zarai Traqiali Bank Limited Habib Bank 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 **Pakistan Cash Management 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

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

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. 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 20.71% as against its benchmark return of 21.92%.

The fund's exposure remained majorly tilted towards T-Bills at quarter end.

The Net Assets of the Fund as at September 30, 2023 stood at Rs. 16,311 million as compared to Rs. 17,480 million as at June 30, 2023 registering a decrease of 6.69%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 50.4678 which is same as of opening NAV of Rs. 50.4678 as at June 30, 2023.

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.

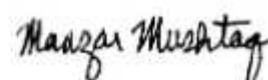
Acknowledgment

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

اظہارِ تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کا اُن کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراجِ تحسین پیش کرتے ہیں۔

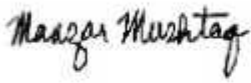
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء



منظر مشاق

ڈائریکٹر

ڈائریکٹرز رپورٹ

کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں $4.6x$ کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 12.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی اور پُرکشش شرحوں پر 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، فلسفہ 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 فنڈز 25.3 فیصد کے ساتھ تھے، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈز 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۔

ڈائریکٹر ز 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 ہوئی۔

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

ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ تاہم اس بحالی کی قابلیت بقاء کا انحصار برآمدات اور ترسیلات کے بہاؤ کی بحالی پر ہے۔ مزید براں، خارجی منظر نامے کے لیے باہمی اور کثیرالجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر اوروپیہ 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 کمی ہے۔ اسی طرح Earning Yield مائنس محفوظ شرح تقریباً 5.6 فیصد کے قریب ہے، اور جو کہ 2.7 فیصد کی تاریخی اوسط سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اشاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن

ڈائریکٹرز رپورٹ

میں جو جمود کو بنیادی طور پر برقرار رکھا کیونکہ افراد ذریعہ 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، 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 20.71 فیصد تھا، جبکہ اس کا نیٹ مارک منافع 21.92 فیصد تھا۔ اختتام سہ ماہی پر فنڈ کی زیادہ تر سرمایہ کاری ٹی بلز میں تھی۔

30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 16,311 ملین روپے تھے، جبکہ 30 جون 2023ء کو 17,480 ملین روپے تھے، یعنی 6.69 فیصد کمی ہوئی۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) نی یونٹ 50.4678 روپے تھی، جو کہ یکساں ہے 30 جون 2023ء کو ابتدائی این اے وی بھی 50.4678 روپے نی یونٹ تھی۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس ٹخن 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۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیش مینجمنٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مئی 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 ابھرنے 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 قابض ڈکریاؤں پڑا۔ انٹرنیٹ میں ڈالر کے مقابلے میں روپے کی قدر میں 307 روپے کی کمی ہوئی جبکہ اوپن مارکیٹ کی شرح تقریباً 330 روپے کے آس پاس رہی۔ نگران حکومت نے، اگرچہ کچھ تاخیر کے ساتھ، ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے ناجائز استعمال کے حوالے سے فیصلہ گن اقدام کیے جس کے نتیجے میں زرمبادلہ کی شرح تیزی سے بحال ہوئی اور اوپن مارکیٹ اور انٹرنیٹ کی شرحوں میں فرق ختم ہوا۔ باقاعدہ بنیادوں پر کارروائی اور اشیاء اور روپے کی اسمگلنگ کی روک تھام ملک کے حالات میں بہتری کی نوید ہیں۔

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

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

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی 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۔ اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ حکومت نے آئی ایم ایف کی شرائط پوری کرنے کے لیے بجلی کی پیداوی قیمت میں اضافہ کیا جس کے نتیجے میں مہنگائی کے دباؤ میں مزید اضافہ ہوا۔ ایس بی پی نے ستمبر 2023ء کی مانیٹری پالیسی

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

	Note	Un-Audited September 30, 2023 ----- (Rupees in '000) -----	Audited June 30, 2023
ASSETS			
Balances with banks	4	1,342,452	3,647,425
Investments	5	14,927,546	17,574,391
Advances, prepayments and profit receivable		113,940	151,482
Total assets		<u>16,383,938</u>	<u>21,373,298</u>
LIABILITIES			
Payable to MCB Investments Management Limited - Management Company - net	6	36,263	37,654
Payable to the Digital Custodian Company Limited		565	547
Payable to the Securities and Exchange Commission of Pakistan	8	1,183	3,215
Payable against purchase of Investment		-	3,818,782
Accrued and other liabilities	7	35,319	33,159
Total liabilities		<u>73,330</u>	<u>3,893,357</u>
NET ASSETS		<u>16,310,608</u>	<u>17,479,941</u>
Unit holders' fund (as per statement attached)		<u>16,310,608</u>	<u>17,479,941</u>
Contingencies and commitments	9		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>323,188,411</u>	<u>346,358,629</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u>50.4678</u>	<u>50.4678</u>

The annexed notes from 1 to 16 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**

	For the quarter ended	
	September 30, 2023	September 30, 2022
Note	—— (Rupees in '000) ——	
INCOME		
Profit on bank deposits	72,155	265,945
Capital gain on sale of investments - net	102,683	67,639
Income from government securities	799,704	92,135
Unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss - net	(1,745)	-
Income on letter and other placement	43,595	-
Profit on Term Deposit Receipt	37,726	25,734
Total income	1,054,118	451,453
EXPENSES		
Remuneration of the Management Company	41,342	11,206
Sales tax on remuneration of the Management Company	5,374	1,457
Allocated expenses	1,172	1,930
Marketing And Selling Expense	16,943	8,060
Remuneration of the Digital Custodian Company Limited Trustee	1,516	1,263
Sales tax on remuneration of the Trustee	197	165
Annual fee to Securities and Exchange Commission of Pakistan	3,639	578
Auditors' remuneration	173	139
Brokerage, settlement and bank charges	1,133	176
Legal and other professional charges	79	68
Fee and Subscription	135	128
Printing and stationery	25	31
Other expenses	-	106
Total expenses	71,728	25,307
Net income for the period before taxation	982,390	426,146
Taxation	10	-
Net income for the period after taxation	982,390	426,146
Allocation of net income for the period:		
Net income for the period after taxation	982,390	426,146
Income already paid on units redeemed	-	-
	982,390	426,146
Accounting income available for distribution:		
- Relating to capital gains	100,938	67,639
- Excluding capital gains	881,452	358,507
	982,390	426,146

The annexed notes from 1 to 16 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 STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	<u>For the quarter ended</u>	
	<u>September 30,</u> <u>2023</u>	<u>September 30,</u> <u>2022</u>
	<u>----- (Rupees in '000) -----</u>	
Net income for the period after taxation	982,390	426,146
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>982,390</u>	<u>426,146</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

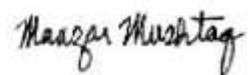
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30, 2023			September 30, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	17,466,010	13,931	17,479,941	5,688,403	16,863	5,705,266
Issuance of 803,660,705 (2022: 429,466,728) units						
- Capital value (at ex-net assets value per unit at beginning of the period)	40,559,005		40,559,005	21,674,241		21,674,241
- Element of income			-			-
	40,559,005	-	40,559,005	21,674,241	-	21,674,241
Redemption of 826,830,923 (2022: 183,488,224) units						
- Capital value (at ex-net assets value per unit at beginning of the period)	41,728,338		41,728,338	9,260,247		9,260,247
- Element of income			-			-
	41,728,338	-	41,728,338	9,260,247	-	9,260,247
Total comprehensive income for the period	-	982,390	982,390	-	426,146	426,146
Total Interim Distribution for the period ended September 30, 2022	-	(982,390)	(982,390)	-	(426,146)	(426,146)
Total distributions during the period	-	(982,390)	(982,390)	-	(426,146)	(426,146)
Net assets at end of the period	16,296,677	13,931	16,310,608	18,102,397	16,863	18,119,260
Undistributed income brought forward						
- Realised		39,901			16,863	
- Unrealised		(25,970)			-	
		13,931			16,863	
Accounting income available for distribution:						
- Relating to capital gains		102,683			67,639	
- Excluding capital gains		879,707			358,507	
		982,390			426,146	
Distributions during the period		(982,390)			(426,146)	
Undistributed income carried forward		13,931			16,863	
Undistributed income carried forward:						
- Realised		15,676			16,863	
- Unrealised		(1,745)			-	
		13,931			16,863	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		50.4678			50.4678	
Net assets value per unit at end of the period		50.4678			50.4678	

The annexed notes from 1 to 16 form an integral part of these financial statements.

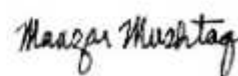
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	For the quarter ended	
	September 30, 2023	September 30, 2022
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	982,390	426,146
Adjustments for:		
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	1,745	-
	<u>984,135</u>	<u>426,146</u>
(Increase) / Decrease in assets		
Investments - net	12,780,146	(2,825,000)
Advances, prepayments and profit receivable	37,542	(103,588)
	<u>12,817,688</u>	<u>(2,928,588)</u>
(Decrease) / increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(1,391)	10,599
Payable to the Digital Custodian Company Limited	18	295
Payable to the Securities and Exchange Commission of Pakistan	(2,032)	(763)
Payable against purchase of Investment	(3,818,782)	-
Accrued and other liabilities	2,160	1,422
	<u>(3,820,027)</u>	<u>11,553</u>
Net cash used in operating activities	<u>9,981,796</u>	<u>(2,490,889)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units net of refund of capital	40,559,005	21,674,241
Payments on redemption of units	(41,728,338)	(9,260,247)
Dividend paid	(982,390)	(426,146)
Net cash (used in)/ generated from financing activities	<u>(2,151,723)</u>	<u>11,987,848</u>
Net increase in cash and cash equivalents during the period	<u>7,830,073</u>	<u>9,496,959</u>
Cash and cash equivalents at beginning of the period	3,647,425	5,628,554
Cash and cash equivalents at end of the period	<u>11,477,498</u>	<u>15,125,513</u>
	11	

The annexed notes from 1 to 16 form an integral part of these financial statements.

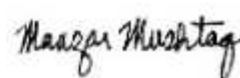
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**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 Pakistan Cash Management Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as Management Company and Habib Metropolitan Bank Limited as Trustee on February 08, 2008. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated February 01, 2008 consequent to which the Trust Deed was executed on February 08, 2008. MCB Financial Services Limited has been appointed as trustee of the fund with effect from July 21, 2014. The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investments Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.

- 1.2 The Management Company of the Fund obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and has been categorised as "money market scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in market treasury bills, short term Government instruments and reverse repurchase transactions against government securities.
- 1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 to the Management Company and has assigned stability rating of 'AA+(f)' dated September 08, 2023 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company 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 (IFRS Standards) 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 VIII A of the repealed Companies Ordinance, 1984; and

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

- 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.

- 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

- 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.

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

	Note	(Unaudited) September 30, 2023 <small>— (Rupees in '000) —</small>	(Audited) June 30, 2023 <small>— (Rupees in '000) —</small>
4 BALANCES WITH BANKS			
In current account		56	46
In deposit accounts	4.1	<u>1,342,396</u>	<u>3,647,379</u>
		<u>1,342,452</u>	<u>3,647,425</u>
4.1 These includes balance of Rs. 6,949 million (June 30, 2023: Rs. 9,229 million) maintained with MCB Bank Limited (a related party) that carries profit at 20.50% per annum (June 2023: 19.50% per annum). Other saving accounts of the Fund carry profit rates ranging from 19.50% to 21.25% per annum (June 2023: 12.25% to 21.80% per annum).			
5 INVESTMENTS		(Unaudited) September 30, 2023 <small>— (Rupees in '000) —</small>	(Audited) June 30, 2023 <small>— (Rupees in '000) —</small>
5.1 Investments at fair value through profit or loss		1,800,000	-
Investment in others - Term Deposit Receipts & other placement		13,127,546	17,574,391
Government securities - Market treasury bills		<u>14,927,546</u>	<u>17,574,391</u>

Name of Investor Company	Rating of Investor Company	Issue date	Profit rate	Face value				Carrying value as at September 30, 2023	Market value as at September 30, 2023	Market value as a percentage of total investment *
				As at July 1, 2023	Purchased during the period	Matured during the period	As at September 30, 2023			
(Rupees in '000)										
PAK OMAN INVESTMENT COMPANY LIMITED	AAA	05-JUL-23	21.900%	-	715,000	715,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.) LIMITED	AAA	05-JUL-23	22.000%	-	300,000	300,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.)	AAA	06-JUL-23	21.900%	-	1,600,000	1,600,000	-	-	-	0.00%
PAK OMAN INVESTMENT COMPANY LIMITED	AAA	06-JUL-23	21.900%	-	715,000	715,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.) LIMITED	AAA	04-AUG-23	21.300%	-	2,050,000	2,050,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.) LIMITED	AAA	24-AUG-23	21.750%	-	800,000	800,000	-	-	-	0.00%
PAK OMAN INVESTMENT COMPANY LIMITED	AAA	31-AUG-23	21.500%	-	715,000	715,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.) LIMITED	AAA	01-SEP-23	21.900%	-	1,775,000	1,775,000	-	-	-	0.00%
ZAHAJ (ARBAJ) BANK LTD	AAA	07-SEP-23	21.500%	-	1,900,000	1,900,000	-	-	-	0.00%
PAK BRUNEI INVESTMENT COMPANY LIMITED	AAA	07-SEP-23	21.050%	-	925,000	925,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.) LIMITED	AAA	08-SEP-23	21.500%	-	1,875,000	1,875,000	-	-	-	0.00%
PAK BRUNEI INVESTMENT COMPANY LIMITED	AAA	13-SEP-23	21.400%	-	925,000	925,000	-	-	-	0.00%
PAK KUWAIT INVESTMENT COMPANY (PVT.) LIMITED	AAA	15-SEP-23	21.400%	-	2,000,000	2,000,000	-	-	-	0.00%
PAK BRUNEI INVESTMENT COMPANY LIMITED	AA+	28-SEP-23	21.550%	-	925,000	925,000	-	-	-	0.00%
Bank Allah Limited	AA+	28-AUG-23	22.500%	-	1,800,000	-	1,800,000	1,800,000	1,800,000	12.06%
Total as at September 30, 2023							<u>1,800,000</u>	<u>1,800,000</u>		
Total as at June 30, 2023							-	-		

5.2 Market treasury bills and Bonds

Terms	Issue Date	Face value			At Sep 30, 2023			(Debit-Item) / appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments
		At July 01, 2023	Purchased during the period	Sales / matured during the period	At Sep 30, 2023	Carrying value	Market value			
(Rupees in '000)										
*Treasury bills										
- 3 months	13-JUL-23	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
- 3 months	10-AUG-23	-	15,800,000	15,800,000	-	-	-	-	0.00%	0.00%
- 3 months	04-MAY-23	-	6,000,000	6,000,000	-	-	-	-	0.00%	0.00%
- 3 months	22-JUN-23	4,000,000	74,300,000	78,300,000	-	-	-	-	0.00%	0.00%
- 3 months	18-MAY-23	1,000,000	37,800,000	38,800,000	-	-	-	-	0.00%	0.00%
- 3 months	20-APR-23	-	375,000	375,000	-	-	-	-	0.00%	0.00%
- 3 months	07-SEP-23	-	8,000,000	-	8,000,000	7,719,373	7,719,192	(181)	47.33%	51.71%
- 3 months	01-JUN-23	-	17,200,000	17,200,000	-	-	-	-	0.00%	0.00%
- 3 months	15-JUN-23	12,850,000	23,290,000	36,140,000	-	-	-	-	0.00%	0.00%
- 3 months	21-SEP-23	-	6,225,000	3,700,000	2,525,000	2,415,148	2,415,854	706	14.81%	16.18%
*Treasury bills										
- 6 months	27-MAR-23	-	12,200,000	12,200,000	-	-	-	-	0.00%	0.00%
- 6 months	15-JUN-23	500,000	-	500,000	-	-	-	-	0.00%	0.00%
*Treasury bills										
- 12 months	25-AUG-22	-	2,600,000	2,600,000	-	-	-	-	0.00%	0.00%
*Pakistan Investment Bonds										
- 24 months	30-DEC-21	-	6,000,000	3,000,000	3,000,000	2,994,768	2,992,500	(2,268)	18.35%	20.05%
- 24 months	26-AUG-21	-	500,000	500,000	-	-	-	-	0.00%	0.00%
As at September 30, 2023					<u>13,129,289</u>	<u>13,127,546</u>	<u>(1,743)</u>			
As at June 30, 2023					<u>17,800,381</u>	<u>17,574,391</u>	<u>(22,990)</u>			

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

6 PAYABLE TO THE MANAGEMENT COMPANY

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		— (Rupees in '000) —	
Remuneration payable	6.1	17,097	11,088
Sales tax on remuneration payable	6.2	2,223	1,441
Payable against allocated expenses	6.3	-	1,068
Sale load payable		-	335
Selling and marketing payable	6.4	15,943	23,722
		<u>36,263</u>	<u>37,654</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 ACCRUED AND OTHER LIABILITIES

	Note	(Unaudited) September 30, 2023	(Audited) June 30, 2023
		— (Rupees in '000) —	
Provision for Federal Excise Duty payable on remuneration of the Management Company	7.1	11,933	11,933
Withholding tax payable		461	-
Brokerage payable		483	990
Auditors' remuneration payable		679	507
Dividend Payable		21,515	19,500
Payable to legal advisor		33	39
Other payables		215	190
		<u>35,319</u>	<u>33,159</u>

- 7.1 There is no change in the status of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the provision for FED not been made, the Net Asset Value of the Fund as at September 30, 2023 would have been higher by Re 0.04 (June 30, 2023: Rs 0.03) per unit.

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

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		— (Rupees in '000) —	
SECP fee payable		<u>1,183</u>	<u>3,215</u>
		1,183	3,215

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.

9 CONTINGENCIES AND COMMITMENTS

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

	Note	Sept 30, 2023	Sept 30, 2022
		— (Rupees in '000) —	
11 CASH AND CASH EQUIVALENTS			
Deposit accounts		1,342,452	15,125,513
Market treasury bills maturing within 3 months		10,135,046	-
		<u>11,477,498</u>	<u>15,125,513</u>

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

12 TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 1.47% which includes 0.19% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

13 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

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

13.1 Details of transactions with connected persons are as follows:

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

Remuneration (including indirect taxes)

Allocated expenses

Marketing And Selling Expense

Group / associated companies

MCB Bank Limited

Mark-up on bank deposits

Bank charges

Digital Custodian Company Limited - Trustee

Remuneration (including indirect taxes)

For the quarter ended	
September 30, 2023	September 30, 2022
———— (Rupees in '000) ————	

	46,716	12,663
	1,172	1,930
	16,943	8,060

13.2 Amounts outstanding at year end

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

Remuneration payable / (receivable) - net

Sales tax on remuneration payable

Payable against allocated expenses

Payable against Marketing And Selling expense

Sale Load Payable

Group / associated companies

MCB Bank Limited

Balances with bank

Digital Custodian Company Limited - Trustee

Remuneration payable

Sales tax on remuneration payable

September 30, 2023	June 30, 2023
———— (Rupees in '000) ————	

	17,097	11,088
	2,223	1,441
	-	1,068
	16,943	23,722
	-	335

	6,949	9,229
	500	484
	65	63

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

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

	September 30, 2023						
	As at July 01, 2023	Issued for cash	Redeemed	As at September 30, 2023	Issued for cash	As at September 30, 2023	
		Units					
		Rupees in '000					
Associated company							
PAKISTAN CABLES LTD. EMPLOYEES PROVIDENT FUND	21,196	1,120	-	22,316	1,070	57	
SECURITY GENERAL INSURANCE COMPANY LTD	9,284	420	-	9,704	499	21	
SECURITY GENERAL INSURANCE CO. LTD. EMPLOYEES PROVIDENT FUND TRUST	210,266	11,245	-	221,531	10,813	568	
NISHAT PAPER PRODUCTS COMPANY LIMITED STAFF PROVIDENT FUND TRUST	126,955	1,539	126,824	-	6,409	75	
NISHAT POWER LIMITED	-	36,924,438	36,524,438	-	-	1,663,495	
PAKGEN POWER LIMITED	86,750,853	162,111,751	260,852,433	1	3,466,894	9,695,438	
Key management personnel*	1,160	343,202	344,352	-	60	17,321	
Unit holders holding 10% or more units*	-	284,228,964	184,168,433	70,062,531	-	12,830,376	
						9,294,475	
						3,535,932	

* This reflects the position of related party / connected person status as at September 30, 2023

	September 30, 2022						
	As at July 01, 2022	Issued for cash	Redeemed	As at September 30, 2022	Issued for cash	As at September 30, 2022	
		Units					
		Rupees in '000					
Associated company							
NISHAT PAPER PRODUCTS COMPANY LIMITED STAFF PROVIDENT FUND TRUST	-	110,616	-	110,616	-	5,583	
SECURITY GENERAL INSURANCE COMPANY LTD	11,115	368	-	11,471	561	16	
SECURITY GENERAL INSURANCE CO. LTD. EMPLOYEES PROVIDENT FUND TRUST	179,320	6,769	-	186,089	6,053	342	
Key management personnel*	106,981	26,037	133,018	-	6,399	1,314	
Mandate under discretionary portfolio services	3,531,620	705,600	3,236,400	861,020	173,273	35,620	
Unit holders holding 10% or more units*	550	173,336,077	28,750,035	144,547,982	25	8,747,991	
						1,453,000	
						7,285,019	

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

14 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).

15 GENERAL

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

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

16 DATE OF AUTHORISATION FOR ISSUE

These Financial Statements were authorised for issue on October 16, 2023 by the Board of Director of the Management Company

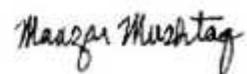
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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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