



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 PAKISTAN STOCK MARKET FUND

TABLE OF CONTENTS

1	Fund's Information	152
2	Report of the Directors of the Management Company	153
3	Condensed Interim Statement of Assets And Liabilities	161
4	Condensed Interim Income Statement (Un-audited)	162
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	163
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	164
7	Condensed Interim Cash Flow Statement (Un-audited)	165
8	Notes to and forming part of the Condensed Interim Financial Statements	166

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 Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited	Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan The Bank of Khyber
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited (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 Pakistan Stock Market Fund** accounts review for the quarter ended September 30, 2023.

Economy and Money Market Review

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

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

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

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

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

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

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

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

Equity Market Review

The stock market witnessed a broad based rally in the quarter as the benchmark KSE-100 increased by 11.5% or 4,780 points to close at 46,232 points. The Initial exuberance was on the back of securing SBA facility of USD 3.0bn from the IMF which took the index to 48,764 points. However, optimism quickly dissipated by the mid of the quarter as the macro economic challenges resurfaced as PKR tanked to all time low, political uncertainty increased and market expected a big interest rate hike all of which unnerved the investors. Nonetheless, the market recouped some of the lost gains near the end of the quarter as PKR appreciated post Government crackdown on smuggling and hoarding of dollar. Moreover, the SBP maintained status quo in the recent monetary policy against market expectation of rate hike, which helped the index to sustain its gains.

During 1QFY24, Insurance, Corporates and Foreigners were net buyers with an inflow of USD 44.8mn, USD 24.8mn and USD 22.0mn, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 43.3mn and USD 37.9mn, respectively. During the quarter, average trading volumes saw an increase of 84% over the last quarter to 281mn shares while the average trading value saw a rise of 109% to USD 33 million.

Banking, E&P and Power sector were the major contributors to the index gain adding 2,208/870/611 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring which was hampering the sector performance. Power sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt which would improve the sector cash flows.

Fund Performance

During the period, PSM generated a return of 9.71% as compared to a return of 11.53% witnessed by the KSE-100 Index. Overall equity exposure stood at 96.7% on September 30, 2023. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Cement, Commercial Banks and Textile Composite Companies.

The Net Assets of the fund as at September 30, 2023 stood at Rs. 4,393 million as compared to Rs. 4,821 million as at June 30, 2023 registering a decrease of 8.88%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 92.45 as compared to opening NAV of Rs. 84.2678 per unit as at June 30, 2023 registering an increase of 8.1822 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

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

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 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.

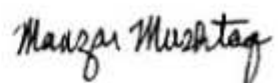
Acknowledgment

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 18, 2023



Manzar Mushtaq
Director
October 18, 2023

ڈائریکٹرز رپورٹ

اظہار تشکر

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

Maszar Mushtaq

منظر مشتاق
ڈائریکٹر

من جانب ڈائریکٹرز،

M. Saad

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
18 اکتوبر 2023ء

ڈائریکٹرز رپورٹ

بڑھ کر 10.5 بلین ڈالر ہو جائیں گے۔ تاہم ہماری خارجی صورتحال تاحال بے یقینی کا شکار ہے کیونکہ ہم مشکل عالمی حالات کے باعث بین الاقوامی یورو بانڈ اور سٹاک کا اجراء ممکن نظر نہیں آ رہا۔ غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے ہونے والی آمدنی بھی موجودہ معاشی مسائل کے باعث ممکنہ طور پر تعطل کا شکار رہیں گی۔ چنانچہ ہمیں سال رواں میں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل کا خطرہ ٹل سکے۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 3.1 بلین ڈالر (جی ڈی پی کا 0.9 فیصد) ہوگا کیونکہ آئی ایم ایف کی چھتری تلے استحکام کے حصول کی پالیسی ممکنہ طور پر جاری رہے گی۔

ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ تاہم اس بحالی کی قابلیت بقاء کا انحصار برآمدات اور ترسیلات کے بہاؤ کی بحالی پر ہے۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیر الجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر اروپہ 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 کار آمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.6x 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 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۔

ڈائریکٹرز رپورٹ

بڑھ کر 281 ملین حصص ہو گیا، جبکہ اوسط کاروباری قدر 109 فیصد بڑھ کر 33 ملین ڈالر ہو گئی۔ انڈیکس کی بڑھوتری کے اہم ترین عوامل بینکاری اور E&P اینڈ پاور سیکٹر تھے جنہوں نے پالترتیب 2,208، 870 اور 611 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخلے کی بدولت مقامی قرض کی تشکیل نو کا امکان کم ہو گیا جو اس شعبے کی کارکردگی کو متاثر کر رہا تھا۔ پاور سیکٹر نے بہتر متوقع ڈیویڈنڈز کی بدولت کارکردگی کا مظاہر کیا، جبکہ E&P نے گیس کا گردش قرض ختم ہو جانے کی بدولت ترقی کی راہیں طے کیں جس سے اس شعبے میں نقد کی آمدورفت میں بہتری آئے گی۔

فنڈ کی کارکردگی

دورانِ مدت پی ایس ایم کا منافع 9.71 فیصد تھا، جبکہ KSE-100 انڈیکس کا منافع 11.53 فیصد تھا۔ 30 ستمبر 2023ء کو فنڈ کی ایکویٹیز میں مجموعی سرمایہ کاری 96.7 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے محتاط رہا اور بنیادی نوعیت کی تبدیلیوں کے پیش نظر سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری سیمنٹ، کمرشل بینکوں اور ٹیکسٹائل کمپنیوں میں تھی۔ 30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 4,393 ملین روپے تھے، جبکہ 30 جون 2023ء کو 4,821 ملین روپے تھے، یعنی 8.88 فیصد کمی ہوئی۔

30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 92.45 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 84.2678 روپے فی یونٹ تھی، یعنی 8.1822 روپے فی یونٹ اضافہ ہوا۔

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۔

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

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوستانہ ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بدولت اسٹیٹ بینک آف پاکستان کے ذخائر متوقع طور پر

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 گراؤ 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۔

ایکویٹی مارکیٹ کا جائزہ

اسٹاک مارکیٹ میں دوران سہ ماہی وسیع پیمانے پر تیزی آئی کیونکہ KSE-100 بیچ مارک 11.5 فیصد یعنی 4,780 پوائنٹس بڑھ کر 46,232 پوائنٹس پر بند ہوا۔ ابتدائی جوش و خروش آئی ایم ایف سے 3.0 بلین ڈالر کے SBA کے حصول کی بنیاد پر تھا جو انڈیکس کو 48,764 پوائنٹس تک لے گیا۔ تاہم سہ ماہی کے وسط تک مجموعی معاشی مسائل دوبارہ ابھرنے کے ساتھ رجائیت جلد ہی تحلیل ہو گئی کیونکہ روپیہ اپنی پست ترین سطح تک گر گیا، سیاسی غیر یقینی بڑھ گئی اور مارکیٹ میں شرح سود میں بڑا اضافہ متوقع ہو گیا، اور ان سب عوامل نے سرمایہ کاروں کو بے چینی کا شکار کر دیا۔ تاہم ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کے خلاف حکومتی مہم کے بعد روپے کی قدر میں اضافے کی بدولت سہ ماہی کے اختتام کے قریب مارکیٹ میں منافع جات کی کچھ حد تک تلافی ہوئی۔ مزید برآں، اسٹیٹ بینک آف پاکستان نے مارکیٹ میں شرح میں اضافے کی توقع کے برخلاف حالیہ مانیٹری پالیسی میں جو جیسا ہے اُسے ویسا ہی رکھنے کا لائحہ عمل اختیار کیا جس سے انڈیکس کو اپنے منافع جات برقرار رکھنے میں مدد ملی۔

مالی سال 2024ء کی پہلی سہ ماہی کے دوران بیمہ، کارپوریٹس اور غیر ملکی net خریدار تھے جن کی بدولت بالترتیب 44.8 ملین ڈالر، 24.8 ملین ڈالر اور 22.0 ملین ڈالر کی آمد ہوئی، جبکہ سب سے زیادہ فروخت بینکوں اور میوچل فنڈز کی طرف سے ہوئی جو بالترتیب 43.3 ملین ڈالر اور 37.9 ملین ڈالر تھے۔ دوران سہ ماہی اوسط کاروباری حجم گزشتہ سہ ماہی کے مقابلے میں 84 فیصد

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

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

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

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

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

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	5. 97,398	304,260
Investments	6. 4,369,324	4,574,203
Receivable against sale of investments	14,572	90,141
Dividend and profit receivables	16,759	5,129
Advances, deposits and other receivables	20,435	18,294
Total assets	4,518,488	4,992,027
LIABILITIES		
Payable to MCB Investments Management Limited Management Company	7. 23,610	27,228
Payable to Central Depository Company of Pakistan Limited - Trustee	494	556
Payable to the Securities and Exchange Commission of Pakistan	8. 337	1,396
Payable against purchase of investments	27,110	70,351
Accrued expenses and other liabilities	9. 73,356	71,383
Payable against redemption of units	387	386
Total liabilities	125,293	171,300
NET ASSETS	4,393,196	4,820,727
Unit holders' fund (as per statement attached)	4,393,196	4,820,727
Contingencies and Commitments	10	
	---- (Number of units) ----	
NUMBER OF UNITS IN ISSUE	47,519,723	57,207,222
NET ASSET VALUE PER UNIT	92.4500	84.2678

The annexed notes 1 to 15 form an integral part of these 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**

	Quarter ended September 30,	
	2023	2022
Note	(Rupees in '000)	
INCOME		
Gain on sale of investments - net	226,413	84,783
Dividend income	88,426	170,028
Income from Government securities	-	-
Profit on balances with banks	5,526	13,806
Unrealised appreciation / (diminution) on re-measurement of investments classified as at fair value through profit or loss - net	228,453	(175,814)
Other income	126	79
Total Income	548,943	92,882
EXPENSES		
Remuneration of the Management Company	23,954	44,965
Sindh Sales Tax on remuneration of the Management Company	3,114	5,845
Remuneration of the Trustee	1,423	2,500
Sindh Sales Tax on remuneration of the Trustee	185	325
Annual fee of the Securities and Exchange Commission of Pakistan	1,113	450
Allocated expenses	2,292	2,248
Marketing And Selling expenses	13,514	29,227
Auditors' remuneration	304	275
Securities transaction cost	6,164	7,509
Settlement and bank charges	710	676
Legal and professional charges	77	67
Fees and subscriptions	-	7
Printing and related charges	25	31
Total expenses	52,874	94,125
Net Income / (loss) for the period before taxation	496,069	(1,243)
Taxation	11	-
Net Income / (loss) for the period after taxation	496,069	(1,243)
Allocation of net income for the period:		
Net income for the period after taxation	496,069	-
Income already paid on units redeemed	(103,390)	-
	392,678	-
Accounting income available for distribution		
- Relating to capital gains	351,434	-
- Excluding capital gains	41,244	-
	392,678	-
Earning/ (Loss) per unit	12	

The annexed notes 1 to 15 form an integral part of these 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**

	<u>Quarter ended</u>	
	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>----- (Rupees in '000) -----</u>	
Net Income / (loss) for the period after taxation	496,069	(1,243)
Other comprehensive income for the period	-	-
Total comprehensive Income / (loss) for the period	<u>496,069</u>	<u>(1,243)</u>

The annexed notes 1 to 15 form an integral part of these 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**

	Quarter ended September 30, 2023			Quarter ended September 30, 2022		
	Capital Value	Undistributed Income / (loss)	Total	Capital Value	Undistributed Income / (loss)	Total
	(Rupees in '000)					
Net assets at the beginning of the period	1,704,302	3,116,425	4,820,727	5,460,672	3,414,660	8,875,332
Issuance of 6,493,478 (2022: 6,302,348) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.84.2678	547,192	-	547,192	545,178	-	545,178
- Element of loss	18,558	-	18,558	7,789	-	7,789
	565,750	-	565,750	552,967	-	552,967
Redemption of 16,180,977 (2022: 10,017,652) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.84.2678	(1,363,536)	-	(1,363,536)	(866,567)	-	(866,567)
- Element of income	(22,424)	(103,390)	(125,814)	(18,093)	-	(18,093)
	(1,385,959)	(103,390)	(1,489,350)	(884,660)	-	(884,660)
Total comprehensive Income / (loss) for the period	-	496,069	496,069	-	(1,243)	(1,243)
	-	496,069	496,069	-	(1,243)	(1,243)
Net assets as at the end of the period	884,093	3,509,103	4,393,196	5,128,980	3,413,417	8,542,396
Undistributed income brought forward comprising of:						
- Realised		3,539,084		4,798,062		
- Unrealised		(422,659)		(1,383,402)		
		3,116,425		3,414,660		
Accounting income available for distribution:						
- Relating to capital gains		351,434		-		
- Excluding to capital gains		41,244		-		
		392,678		-		
Net Income / (loss) for the period		-		(1,243)		
Undistributed income carried forward		3,509,103		3,413,417		
Undistributed income brought forward comprising of:						
- Realised		3,280,651		3,589,231		
- Unrealised		228,453		(175,814)		
		3,509,103		3,413,417		
		(Rupees)		(Rupees)		
Net assets value per unit as at beginning of the period	84.2678			86.5039		
Net assets value per unit as at end of the period	92.4500			86.3871		

The annexed notes 1 to 15 form an integral part of these 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 CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended	
	2023	2022
	---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period before taxation	496,069	(1,243)
Adjustments for non cash and other items:		
Unrealised appreciation / (diminution) on re-measurement of investments classified as at fair value through profit or loss - net	228,453	(175,814)
	724,521	(177,058)
Decrease / (Increase) in assets		
Investments - net	(23,574)	627,825
Receivable against sale of investments	75,569	5,156
Dividend and profit receivable	(11,630)	(43,432)
Advances, deposits and receivables	(2,141)	(3,403)
	38,224	586,146
(Decrease) / Increase in liabilities		
Payable to MCB Investments Management Limited - Management Company	(3,618)	(1,983)
Payable to Central Depository Company of Pakistan Limited - Trustee	(62)	(1)
Payable to the Securities and Exchange Commission of Pakistan	(1,059)	450
Payable against purchase of investments	(43,241)	(3,736)
Payable against redemption of units	1	-
Accrued expenses and other liabilities	1,973	1,385
	(46,006)	(3,885)
Net cash generated from operating activities	716,739	405,203
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	565,750	552,967
Amount paid on redemption of units	(1,489,350)	(884,660)
Net cash (used) from financing activities	(923,601)	(331,693)
Net (decrease) / increase in cash and cash equivalents during the period	(206,862)	73,511
Cash and cash equivalents at the beginning of the period	304,260	329,797
Cash and cash equivalents at the end of the period	97,398	403,308

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


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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market 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 Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 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 located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investments Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.
- 1.3 The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund. The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund.

2. BASIS OF PREPARATION

- 2.1 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**

- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 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 AND JUDGMENTS

- 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 that disclosed in the financial statements as at and for the year ended 30 June 2023.

		(Un-Audited) Sep 30, 2023	(Audited) June 30, 2023
Note		----- (Rupees in '000) -----	
4. BALANCES WITH BANKS			
In current accounts	4.1	24,011	27,596
In savings accounts	4.2	73,387	276,664
		<u>97,398</u>	<u>304,260</u>
4.1	These include a balance of Rs.14.57 million (June 30, 2023: Rs.18.150) million maintained with MCB Bank Limited, a related party.		
4.2	These carry profit at the rates ranging between 20.50% (June 2023: 12.25% to 19.50%) per annum. It includes bank balance of Rs. 46.29 million (June 2023: Rs 216.352 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 20.25% (June 2023: 12.25 to 19.50%) per annum.		
5. INVESTMENTS		(Un-Audited) Sep 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
At fair value through profit or loss			
Listed equity securities	5.1	4,369,324	4,574,203
Government securities	5.2	-	-
		<u>4,369,324</u>	<u>4,574,203</u>

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

Name of the investee company	Symbol	No. of shares					As at September 30, 2023			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
		As at July 01, 2023	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at September 30, 2023	Carrying Value	Market value as at September 30, 2023	Unrealised (loss) / gain		
----- (Rupees in '000) ----- (%) -----											
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Engro Corporation Limited	ENGRO	445,101	25,000	-	221,101	249,000	64,207	59,795	(4,412)	1.36%	0.04%
Fauji Fertilizer Bin Qasim Limited	FFBL	34,029,024	400,000	-	4,424,000	10,005,024	118,474	137,469	18,995	3.13%	0.77%
							207,110	219,736	12,626	5.00%	0.83%
Food & Personal Care Products											
Murree Brewery Company	MUREB	160,761	-	-	99,300	61,461	17,824	15,365	(2,458)	0.35%	0.22%
National Foods Limited	NATF	1,178,000	37,500	-	405,000	810,500	79,992	88,725	8,734	2.02%	0.35%
AT-TAHUR LIMITED	PREMA	2,486,914	25,000	-	33,000	2,478,914	40,830	37,060	(3,770)	0.84%	1.13%
The Organic Meat Company Limited	TOMCL	380,518	-	-	380,518	-	-	-	-	0.00%	0.00%
							138,645	141,150	2,505	3.2%	1.7%
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited	STCL	3,683,908	1,052,500	-	62,000	4,674,408	40,334	38,003	(2,331)	0.87%	1.43%
Tariq Glass Industries	TGL	25,863	-	-	25,863	-	-	-	-	0.00%	0.00%
							40,334	38,003	(2,331)	0.87%	1.43%
Insurance											
ADAMJEE LIFE ASSURANCE	ALIFE	101,104	-	-	-	101,104	1,394	1,876	482	0.04%	0.04%
IGI Holdings Limited	IGIHL	26,100	-	-	26,100	-	-	-	-	0.00%	0.00%
							1,394	1,876	482	0.04%	0.04%
Leather & Tanneries											
Bata Pakistan Limited	BATA	9,725	2,620	-	-	12,345	21,846	20,987	(859)	0.48%	0.16%
							21,846	20,987	(859)	0.48%	0.16%
Miscellaneous											
Shifa International Hospitals	SHPA	1,438,092	3,600	-	185,000	1,256,692	153,941	146,756	(7,184)	3.34%	1.90%
Synthetic Products Limited	SPEL	2,039,117	729,000	-	535,000	2,233,117	23,831	25,793	1,962	0.59%	1.12%
							177,771	172,549	(5,222)	3.93%	3.02%
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	MARI	145,684	20,856	-	39,800	126,740	193,220	197,727	4,507	4.50%	0.10%
Oil & Gas Development Company	OGDC	911,665	-	-	211,665	700,000	54,600	67,522	12,922	1.54%	0.02%
Pakistan Oilfields Limited	POL	45,000	46,000	-	91,000	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	PPL	-	934,208	-	200,000	734,208	53,526	54,383	857	1.24%	0.03%
							301,346	319,632	18,286	7.28%	0.15%
Oil And Gas Marketing Companies											
Hi-Tech Lubricants Limited	HTL	1,316,623	-	-	1,237,500	79,123	1,680	1,731	51	0.04%	0.06%
Pakistan State Oil Company Limited	PSO	5,895	-	-	5,895	-	-	-	-	0.00%	0.00%
Shell (Pakistan) Limited	SHEL	-	110,000	-	35,000	75,000	9,778	10,104	326	0.23%	0.04%
							11,458	11,835	378	0.27%	0.10%
Paper And Board											
Century Paper & Board Mills Limited	CEPB	204,590	642,500	-	200,000	647,090	18,471	16,307	(2,165)	0.37%	0.16%
Cherat Packaging Limited	CPPL	3	-	-	3	-	-	-	-	0.00%	0.00%
CHERAT PACKAGING(R)	CPPLR3	(1)	-	-	(1)	-	-	(0)	(0)	0.00%	0.00%
Packages Limited	PKGS	267,016	7,068	-	95,000	179,084	69,566	65,964	(3,603)	1.50%	0.20%
Security Papers Limited	SEPL	624,001	-	-	524,001	100,000	9,300	10,453	1,153	0.24%	0.17%
							97,338	92,723	(4,614)	2.11%	0.53%

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

Name of the investee company	Symbol	No. of shares				As at September 30, 2023			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company	
		As at July 01, 2023	Purchased during the period	Bonus / Right issue during the period	Sold during the period	As at September 30, 2023	Carrying Value	Market value as at September 30, 2023			Unrealised (loss) / gain
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Pharmaceuticals											
Abbott Laboratories (Pakistan)	ABOT	14,700	24,900	-	15,400	24,200	9,628	8,361	(1,267)	0.19%	0.02%
Agp Limited	AGP	505,718	-	-	159,718	346,000	19,542	17,044	(2,498)	0.39%	0.12%
Cit Pharma Limited	CPHL	3,087,374	1,125,000	-	1,597,700	2,634,674	56,543	57,523	980	1.31%	1.14%
Ferozsons Laboratories Limited	FEROZ	294,229	4,100	-	45,400	252,929	34,626	35,390	763	0.81%	0.58%
Haleon Pakistan Limited	HALEON	640,938	44,500	-	-	685,438	96,751	97,661	910	2.22%	0.59%
Hightnoon Laboratories Limited	HINDOON	243,607	39,300	-	37,900	245,007	83,822	93,081	9,259	2.12%	0.46%
The Searle Company Limited	SEARL	30,302	-	-	30,302	-	-	-	-	0.00%	0.00%
							300,911	309,060	8,148	7.03%	2.91%
Power Generation & Distribution											
Hub Power Company Limited	HUBC	2,150,000	650,000	-	481,474	2,318,526	164,748	204,795	40,048	4.66%	0.18%
							164,748	204,795	40,048	4.66%	0.18%
Refinery											
Attock Refinery Limited	ATRL	-	489,000	-	-	435,000	104,153	110,725	6,572	2.52%	0.41%
							104,153	110,725	6,572	2.52%	0.41%
Technology & Communications											
Hum Network Limited	HUMNL	32,370,500	-	-	3,625,000	8,745,500	51,074	48,100	(2,973)	1.09%	0.77%
Systems Limited	SYS	306,695	-	-	49,695	257,000	103,656	101,214	(2,442)	2.30%	0.09%
							154,730	149,315	(5,415)	3.40%	0.86%
Textile Composite											
Gul Ahmed Textile Mills Limited	GATM	4,138,849	1,086,000	-	116,000	5,110,849	91,544	90,411	(1,133)	2.06%	0.69%
Interloop Limited	ILP	6,570,385	584,927	-	1,864,369	5,290,943	189,992	238,939	48,947	5.44%	0.38%
Kohinoor Textile Mills Limited	KTML	1,076,554	-	-	1,078,500	54	3	3	0	0.00%	0.00%
Nishat (Chunlian) Limited	NCL	423,146	330,000	-	10,000	743,146	16,156	15,227	(929)	0.35%	0.31%
Nishat Mills Limited	NML	805,000	150,000	-	226,000	729,000	42,997	43,755	758	1.00%	0.21%
							340,692	388,335	47,643	8.84%	1.59%
Tobacco											
PAKISTAN TOBACCO COMPANY	PAKT	48,579	50,500	-	-	99,079	62,952	72,229	9,237	1.64%	0.04%
							62,952	72,229	9,237	1.64%	0.04%
Transport											
Pakistan International Bulk Terminal	PIBTL	-	1,871,500	-	-	1,871,500	8,360	7,224	(1,156)	0.16%	0.10%
							8,360	7,224	(1,156)	0.16%	0.10%
Total as at September 30, 2023 (Un-Audited)							4,140,876	4,369,324	228,453		
Total as at June 30, 2023 (Audited)							4,996,862	4,574,203	(422,659)		

* These have a face value of Rs. 1 per share
 ** These have a face value of Rs. 5 per share
 *** These transactions relates to shares of related parties

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

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

	(Un-Audited) September 30, 2023	(Audited) June 30, 2023	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	— (Number of shares) —		— (Rupees in '000) —	
Bank Alfalah Limited	-	1,000,000	-	30,440
Fauji Cement Company Limited	10,000,000	10,000,000	113,100	117,600
United Bank Limited	500,000		71,800	
	10,500,000	11,000,000	184,900	148,040

5.1.2 As at September 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 3.176 million.

6. PAYABLE TO THE MANAGEMENT COMPANY

6.1 The Management Company has charged remuneration up to 4% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

6.1.3 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.

6.1.4 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)

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 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

	Note	September 30, 2023	June 30, 2023
		— (Rupees in '000) —	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Federal Excise Duty payable on management remuneration	8.1	54,774	54,774
Federal Excise Duty payable on sales load		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		3,482	2,051
Auditors' remuneration		1,108	805
Withholding tax payable		241	19
Printing and related charges payable		65	40
Payable to legal advisor		30	39
		73,356	71,383

8.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at September 30, 2023 would have been higher by Re.1.2354 (June 2023: Re.0.96) per unit.

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

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the June 30, 2023 and September 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 PER UNIT

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

12. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.50% and this includes 0.44% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

13. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, 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 payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

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**

13.1 Unit Holder's Fund

For the quarter ended September 30, 2023 (Un-audited)

	As at July 01, 2023	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2023	As at July 01, 2023	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2023
	(Number of units)				(Rupees in '000)			
MCB Investments Management Limited								
- Management Company	-	564,426	529,941	34,485		50,000	50,000	3,188
Group / associated companies								
Adamee Life Assurance Company Limited - IMF	14,524,931	-	-	14,524,931	1,223,984	-	-	1,342,830
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	199,265	-	16,792	-	19,185	0
Key Management Personnel	105,887	46,525	8,539	143,873	8,923	4,122	833	13,301
Mandate under discretionary portfolio services	953,135	-	63,773	889,362	80,319	-	6,150	82,221
Unit holders holding 10% or more*	10,420,530	-	5,400,175	5,020,355	878,115	-	500,000	464,132

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

For the quarter ended September 30, 2022 (Un-audited)

	As at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2022	As at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2022
	(Number of units)				(Rupees in '000)			
MCB Investments Management Limited								
- Management Company	1,044,927	-	1,044,927	-	90,390	-	95,262	-
Group / associated companies								
Adamee Life Assurance Company Limited - DGF	19,165	-	-	19,165	1,658	-	-	1,656
Adamee Life Assurance Company Limited - IMF	39,875,771	-	1,158,339	38,717,432	3,449,410	-	100,000	3,344,687
D.G. Khan Cement Company Limited Employees Provident Fund Trust	189,265	-	-	189,265	17,237	-	-	17,214
Key Management Personnel	120,859	344,430	348,281	117,008	10,455	30,296	31,105	10,108
Mandate under discretionary portfolio services	121	878,884	-	879,005	10	76,225	-	75,935
Unit holders holding 10% or more*	12,564,079	-	-	12,564,079	1,086,842	-	-	1,085,374

* This reflects the position of related party / connected persons status as at September 30, 2022.

**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:	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	----- (Rupees in '000) -----	
MCB Investments Management Limited		
Remuneration of the Management Company (including indirect taxes)	27,068	50,810
Marketing and Selling expense	13,514	29,227
Allocated Expenses	2,292	2,248
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	1,608	2,825
Central Depository Service charges	355	156
MCB Bank Limited		
Bank charges	-	-
Profit on balances with banks	3,365	7,924
Dividend income	-	-
Purchase of 178,536 shares (2022: 136,429) shares	23,247	16,638
Sale of 178,536 shares (2022: 178,929) shares	23,492	22,846
D.G. Khan Cement Company Limited		
Purchase of 1,457,411 shares (2022: 1,079,159) shares	67,485	58,939
Sale of 516,000 shares (2022: 2748,372) shares	29,966	168,395
Dividend income		
Nishat Mills Limited		
Purchase of 150,000 Shares (2022: 250,000) shares	10,406	17,655
Sale of 226,000 shares (2022: 954,781) shares	13,758	71,876
Dividend income		
International Steels Limited		
Purchase of 1,862,883 Shares (202: 270,000) shares	87,411	15,304
Sale of 670,191 shares (2022: 328,836) shares	31,886	19,223
Dividend income	3,682	
Atlas Battery Limited		
Purchase of NIL shares (2022: NIL) shares	-	-
Sale of NIL shares (2022: NIL) shares	-	-
Dividend income	219	-
Adamjee Life Assurance Company Limited		
Purchase of NIL Shares (2022: NIL) shares	-	-
Sale of NIL shares (2022: NIL) shares	-	-
Dividend income	101,104	-

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

	(Un-audited) September 30, 2022	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
13.3 Balances outstanding at period end:		
MCB Investments Management Limited		
Remuneration payable	7,626	8,198
Sindh sales tax payable on remuneration	991	1,066
Sales load payable including related taxes	3	3
Payable against allocated expense	1,475	410
Payable against marketing and selling expenses	13,514	17,551
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	437	492
Sindh sales tax payable on remuneration	57	64
Security deposit	500	500
MCB Bank Limited		
Balance with bank	60,863	234,502
Profit receivable on bank balances	948	2,830
MCB Bank Limited		
Nil shares (2023: NIL shares)	-	5,227
D.G. Khan Cement Company Limited		
2,366,911 shares (2023:1,425,500 shares)	102,771	73,128
Adamjee Life Assurance Company Limited		
101,104 shares (2023: 101,104 shares)	1,876	1,394
Nishat Mills Limited		
729,000 shares (2023: 805,000 shares)	43,755	45,699
Atlas Battery Limited		
21,863 shares (2023: 21,863 shares)	5,128	4,469
International Steels Limited		
1,492,692 shares (2023: 300,000 shares)	63,454	12,159

* 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**

14. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

16. DATE OF AUTHORISATION FOR ISSUE

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

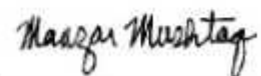
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

(Formerly: MCB Arif Habib Savings and Investments Limited)

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

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

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