



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 ASSET ALLOCATION FUND

TABLE OF CONTENTS

1	Fund's Information	208
2	Report of the Directors of the Management Company	209
3	Condensed Interim Statement of Assets And Liabilities	218
4	Condensed Interim Income Statement (Un-audited)	219
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	220
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	221
7	Condensed Interim Cash Flow Statement (Un-audited)	222
8	Notes to and forming part of the Condensed Interim Financial Statements	223

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 Shahr-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank Limited Zarai Taraqati Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited	Fisca Microfinance Bank Limited HBL Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited 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 Asset Allocation 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

The fund posted a return of 8.74% during the period under review against the benchmark return of 9.14%. The fund has gradually increased exposure in equities which reached to 84.6% by the end of September 30, 2023 and at the same time it decreased the exposure in cash to 13.8% at the end of September 30, 2023.

On the equity side, the fund was mainly invested in Commercial Banks and Cement.

The Net Assets of the Fund as at September 30, 2023 stood at Rs. 628 million as compared to Rs. 611 million as at June 30, 2023 registering a increase of 2.78%. The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 83.2866 as compared to opening NAV of Rs. 76.5925 per unit as at June 30, 2023 registering an increase of 6.6941 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.

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.

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

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

مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

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

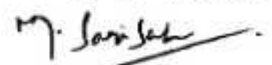
میوچل فنڈ صنعت کی مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمد و رفت 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۔

اظہار تشکر

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

من جانب ڈائریکٹرز،



Masrur Mushtaq

منظر مشتاق

ڈائریکٹر

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء

ڈائریکٹرز رپورٹ

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

ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ تاہم اس بحالی کی قابلیت بقاء کا انحصار برآمدات اور ترسیلات کے بہاؤ کی بحالی پر ہے۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیرالجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر 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 سے مائنس سے محفوظ شرح پر تقریباً 5.6 فیصد کے قریب ہے، اور جو کہ 2.7 فیصد کی تاریخی اوسط سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے 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 پد کشش شرحوں پر اہم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع

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 بالترتیب 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 گروشی 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

زیر جائزہ مدت کے دوران فنڈ نے 8.74 فیصد منافع پوسٹ کیا، یا مقابل اس کے بیچ مارک منافع 9.14 فیصد کے۔ فنڈ نے ایکویٹیز میں سرمایہ کاری میں بتدریج اضافہ کر کے اسے 30 ستمبر 2023ء کے اختتام تک 84.6 فیصد کر دیا، اور ساتھ ساتھ نقد میں سرمایہ کاری کو کم کر کے اسے 30 ستمبر 2023ء کے اختتام تک 13.8 فیصد کر دیا۔ ایکویٹیز کی جانب فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سینٹ کے شعبے میں تھی۔ 30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 628 ملین روپے تھے، جبکہ 30 جون 2023ء کو 611 ملین روپے تھے، یعنی 2.78 فیصد اضافہ ہوا۔ 30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 83.2886 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 76.5925 روپے فی یونٹ تھی، یعنی 6.6941 روپے فی یونٹ اضافہ ہوا۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

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

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

ڈائریکٹر رپورٹ

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

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023ء میں 0.29 فیصد ترقی ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 2.9 فیصد گراؤ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ 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 ممتثل 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 جوہد 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 ایسیٹ ایلوکیشن فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختصمہ 30 ستمبر 2023ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

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

مجموعی معاشی مسائل اگست 2023ء میں دوبارہ اُبھرنے لگے جب سیاسی منظر نامہ تبدیل ہوا اور نگران حکومت آئی۔ درآمدات کے واجبات کی ادائیگی کے لیے نئی مالیاتی ٹیم کی فوری کوشش کو خارجی اکاؤنٹ کی صورتحال میں کمزوری کے طور پر قیاس کیا گیا جس سے روپے پر قابض ڈکریڈاؤ 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 ماہی پالیسی

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

	Note	(Un-audited) September 30, 2023 <small>———— (Rupees in '000) ————</small>	(Audited) June 30, 2023
ASSETS			
Balance with banks	4.	92,289	97,614
Investments	5.	564,276	555,303
Mark-up, dividend and other receivables		4,658	3,167
Receivable against sale of investments		536	4,465
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits, prepayments and other receivables		4,240	4,209
Total assets		667,133	665,892
LIABILITIES			
Payable to the Management Company	6	1,949	1,922
Payable to the Central Depository Company of Pakistan Limited - Trustee		115	113
Payable to the Securities and Exchange Commission of Pakistan	7	48	144
Payable against purchase of investments		(0)	16,743
Payable on redemption of units		31	31
Accrued expenses and other liabilities	8	36,680	36,289
Total liabilities		38,823	55,242
NET ASSETS		628,310	610,650
Unit holders' fund (as per statement attached)		628,310	610,650
Contingencies and commitments	9		
		(Number of units)	
Number of units in issue		7,543,949	7,972,712
		(Rupees)	
NET ASSET VALUE PER UNIT		83.2866	76.5925

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

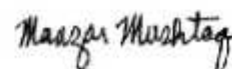
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	September 30,	
		2023	2022
----- (Rupees in '000) -----			
Income			
Income from Government securities		2,235	1,279
Capital gain on sale of investments - net		12,816	3,811
Dividend income		12,987	19,932
Profit on bank deposits and term deposit receipts		2,833	5,166
Unrealised appreciation/ diminution in fair value of investments classified as 'at fair value through profit or loss' - net		30,486	(13,950)
Other income		52	29
Total Income		61,411	16,268
Expenses			
Remuneration of the Management Company		5,373	6,978
Sindh Sales Tax on remuneration of the Management Company		698	907
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		326	422
Sindh Sales Tax on remuneration of Trustee		42	56
Securities and Exchange Commission of Pakistan - annual fee		154	43
Allocated expenses		163	212
Brokerage and settlement charges		818	515
Auditors' remuneration		247	230
Other expenses		122	141
Total expenses		7,944	9,503
		53,467	6,765
Net Income for the period before taxation		53,467	6,765
Taxation	10	-	-
Net Income for the period after taxation		53,467	6,765
Allocation of net income for the period			
Net Income for the period		53,467	6,765
Income already paid on units redeemed		(2,973)	(1,247)
		50,493	5,518
Accounting income available for distribution			
- Relating to capital gains		40,567	-
- Excluding capital gains		9,926	5,518
		50,493	5,518
Earning per unit	11		

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

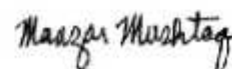
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2023	2022
	----- (Rupees in '000) -----	
Net Income for the period after taxation	53,467	6,765
Other comprehensive income	-	-
Total comprehensive Income for the period	<u>53,467</u>	<u>6,765</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

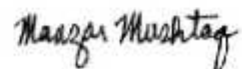
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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			2022		
	(Rupees in '000)					
Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total	
Net assets at beginning of the period	1,799,783	(1,189,133)	610,650	2,024,393	(1,186,410)	837,983
Issue of 17,572 units (2022: 169,597 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,346	-	1,346	12,907	-	12,907
- Element of Income / (loss)	169	-	169	148	-	148
Total proceeds on issuance of units	1,515	-	1,515	13,055	-	13,055
Redemption of 446,335 units (2022: 584,993 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(34,186)	-	(34,186)	(44,519)	-	(44,519)
- Element of Income / (loss)	(163)	(2,973)	(3,137)	634	(1,247)	(613)
Total payments on redemption of units	(34,349)	(2,973)	(37,322)	(43,885)	(1,247)	(45,133)
Total comprehensive (loss) / income for the period	-	53,467	53,467	-	6,765	6,765
	-	53,467	53,467	-	6,765	6,765
Net assets at end of the period	1,766,949	(1,138,640)	628,310	1,993,563	(1,180,892)	812,670
Undistributed loss brought forward						
- Realised loss		(1,170,235)			(1,111,834)	
- Unrealised loss		(18,898)			(74,576)	
		(1,189,133)			(1,186,410)	
Accounting income available for distribution						
- Relating to capital gains		40,567			-	
- Excluding capital gains		9,926			5,518	
		50,493			5,518	
Undistributed loss carried forward		(1,138,640)			(1,180,892)	
Undistributed income carried forward						
- Realised loss		(1,169,126)			(1,166,942)	
- Unrealised loss		30,486			(13,950)	
		(1,138,640)			(1,180,892)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		76.5925			76.1026	
Net assets value per unit at end of the period		83.2866			76.6971	

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

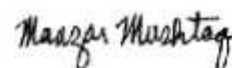
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	53,467	6,765
Adjustments:		
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(30,486)	13,950
	<u>22,980</u>	<u>20,715</u>
(Increase) / Decrease in assets		
Investments	21,514	117,834
Mark-up, dividend and other receivables	(1,491)	(267)
Receivable against sale of investments	3,929	(12,375)
Advances, deposits, prepayments and other receivables	(31)	8
	<u>23,920</u>	<u>105,199</u>
Increase / (Decrease) in liabilities		
Payable to the Management Company	27	46
Payable to the Central Depository Company of Pakistan Limited - Trustee	2	(4)
Payable to the Securities and Exchange Commission of Pakistan	(96)	(173)
Payable against purchase of investments	(16,743)	(48,996)
Accrued expenses and other liabilities	391	469
	<u>(16,419)</u>	<u>(48,657)</u>
Net cash generated from operating activities	<u>30,482</u>	<u>77,257</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,515	13,055
Payments against redemption of units	(37,322)	(45,133)
Net cash (used in) financing activities	<u>(35,807)</u>	<u>(32,078)</u>
Net decrease in cash and cash equivalents during the period	<u>(5,325)</u>	<u>45,179</u>
Cash and cash equivalents at beginning of the period	97,614	91,513
Cash and cash equivalents at end of the period	<u>92,289</u>	<u>136,692</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

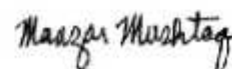
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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 Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company was changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" the Fund is required to be registered under the said Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 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.
- 1.4 The Fund is an open-end collective investment scheme categorised as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of "AM1" dated October 06, 2023, to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A 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.

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

Where provisions of and directives issued under the Companies Act, 2017, part VIII A 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 VIII A 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 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

- 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.

	Note	(Un-audited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
4. BALANCE WITH BANKS			
Savings accounts	4.1	87,711	92,356
Current accounts	4.2	4,578	5,258
		92,289	97,614
4.1	These carry profit at the rates ranging between 20.50% (2023: 12.25% to 21.5%) per annum. It includes bank balance of Rs. 0.010 million (2023: Rs 0.009 million) maintained with MCB Bank Limited (a related party).		
4.2	This include Rs. 4.58 Million (2023: Rs. 5.25 million) maintained with MCB Bank Limited (a related party)		

	Note	(Un-audited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
5. INVESTMENTS			
At 'fair value through profit or loss'			
Ordinary shares - Listed	5.1.1	540,677	473,722
Preference Shares - Listed	5.1.2	23,600	24,000
Market Treasury Bills	5.1.3	-	57,581
		564,277	555,303

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

5.1 At fair value through profit or loss

5.1.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	Number of shares				As at September 30, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of the paid up capital of the investee company
	As at July 1, 2023	Purchased during the period	Bonus / right issues during the period	Sold during the period	As at September 30, 2023	Carrying value	Market value			
	(Number of shares)				(Rupees in '000)			(%)		
Automobile Parts & Accessories										
Agrizim Industries Limited**	63,125	29,500	-	-	90,625	6,072	6,173	51	0.01	1.09%
						<u>6,072</u>	<u>6,173</u>	<u>51</u>	<u>0.01%</u>	<u>1.09%</u>
Cement										
D. G. Khan Cement Company Limited*	403,000	164,500	-	252,177	345,323	18,719	14,994	(3,725)	0.00	0.00%
Kohat Cement Company Limited	52,050	-	-	52,050	-	-	-	-	-	0.00%
Lucky Cement Limited	80,000	1,000	-	37,000	44,600	23,331	25,170	1,838	0.04	4.46%
Maple Leaf Cement Factory Limited***	1,220,000	369,000	-	-	1,619,000	46,504	48,473	1,969	0.08	8.52%
Fauji Cement Company Limited***	2,225,000	252,000	-	207,000	2,270,000	20,250	24,995	(1,255)	0.04	0.00%
Ghazal Cement Ltd	148,500	-	-	148,500	-	-	-	-	-	0.00%
Pioneer Cement Limited	43,000	-	-	43,000	-	-	-	-	-	0.00%
Attock Cement Pakistan Limited	4,000	-	-	4,000	-	-	-	-	-	0.00%
						<u>116,294</u>	<u>11,621</u>	<u>(64)</u>	<u>0.00%</u>	<u>11.62%</u>
Chemicals										
Arzoo Pakistan Limited	13,700	-	-	-	13,700	6,439	6,026	(413)	0.01	1.07%
						<u>6,439</u>	<u>6,026</u>	<u>(413)</u>	<u>0.01%</u>	<u>1.07%</u>
Commercial Banks										
Bank Alfalah Limited**	296,500	626,500	-	403,000	460,000	15,261	17,696	2,435	0.03	3.14%
Fayyaz Bank Limited	-	520,000	-	520,000	520,000	12,261	11,596	(665)	0.02	2.06%
Habib Bank Limited	1,000	123,000	-	11,000	112,000	8,961	10,220	1,259	0.02	1.81%
Habib Metropolitan Bank Limited	-	300,000	-	300,000	300,000	13,239	10,669	(2,570)	0.02	1.93%
Meezan Bank Limited	220,515	147,809	-	368,124	368,124	35,967	42,214	6,246	0.07	7.46%
United Bank Limited**	111,000	193,000	-	35,000	269,000	33,647	36,492	4,845	0.06	6.82%
						<u>116,146</u>	<u>116,019</u>	<u>(127)</u>	<u>0.00%</u>	<u>11.21%</u>
Engineering										
International Steels Limited	-	171,782	-	-	171,782	3,464	7,302	(1,161)	0.01	1.29%
Mughal Iron & Steel Industries Limited	260,000	-	-	60,000	240,000	11,626	11,906	280	0.02	2.12%
						<u>28,090</u>	<u>19,208</u>	<u>(8,200)</u>	<u>0.02%</u>	<u>3.41%</u>
Fertilizer										
Engro Corporation Limited	73,000	-	-	73,000	-	-	-	-	-	0.00%
Engro Fertilizer Limited	70,000	-	-	70,000	-	-	-	-	-	0.00%
Fauji Fertilizer Bin Qasim Limited	868,000	-	-	47,000	822,000	3,083	11,294	1,011	0.02	2.00%
Fauji Fertilizer Company Limited	-	154,000	-	-	154,000	14,749	14,297	(452)	0.02	2.33%
						<u>24,432</u>	<u>25,592</u>	<u>1,160</u>	<u>0.02%</u>	<u>4.34%</u>
Food & Personal Care Products										
National Foods Limited**	160,000	-	-	-	160,000	10,624	12,042	1,218	0.02	2.12%
Muzon Brewery Company	10,020	-	-	10,000	50	15	13	(2)	0.00	0.00%
The Organic Meal Company Limited	266,722	-	-	268,722	-	-	-	-	-	0.00%
						<u>10,639</u>	<u>12,055</u>	<u>1,216</u>	<u>0.02%</u>	<u>2.12%</u>
Leather & Tanneries										
Dats Pakistan Limited	1,900	-	-	1,900	-	-	-	-	-	0.00%
						<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>
Miscellaneous										
Synthetic Products Limited	212,000	-	-	200,000	12,000	125	139	14	0.00	0.02%
						<u>125</u>	<u>139</u>	<u>14</u>	<u>0.00%</u>	<u>0.02%</u>
Oil & Gas Exploration Companies										
Mai Petroleum Company Limited	30,000	-	-	4,250	15,750	23,826	24,572	746	0.04	4.25%
Oil & Gas Development Company Limited	190,000	-	-	-	190,000	14,800	18,377	3,577	0.03	3.25%
Pakistan Petroleum Limited	-	245,000	-	-	245,000	18,094	18,147	53	0.03	3.22%
						<u>56,720</u>	<u>61,096</u>	<u>4,397</u>	<u>0.07%</u>	<u>10.82%</u>
Oil And Gas Marketing Companies										
Shell (Pakistan) Limited	40,000	-	-	40,000	-	-	-	-	-	0.00%
Sul Northern Gas Pipelines Limited	150,000	-	-	150,000	5,936	7,047	1,142	0.01	1.22%	
						<u>5,936</u>	<u>7,047</u>	<u>1,142</u>	<u>0.01%</u>	<u>1.22%</u>
Pharmaceuticals										
Ferrous Laboratories Limited	44,000	-	-	44,000	6,071	6,156	125	0.01	1.09%	
Haleem Pakistan Limited	55,000	25,000	-	80,000	12,073	11,388	(675)	0.02	2.02%	
Hightower Laboratories Limited	24,667	-	-	24,667	8,282	9,371	1,079	0.01	1.66%	
Alcof Limited	55,000	-	-	55,000	-	-	-	-	-	0.00%
CBE Pharma Limited	265,500	56,000	-	44,500	9,511	9,713	202	0.02	1.22%	
						<u>26,847</u>	<u>26,628</u>	<u>(219)</u>	<u>0.01%</u>	<u>6.09%</u>
Power Generation & Distribution										
Hub Power Company Limited	262,000	-	-	262,000	25,188	31,975	6,787	0.05	5.67%	
						<u>25,188</u>	<u>31,975</u>	<u>6,787</u>	<u>0.05%</u>	<u>5.67%</u>
Paper And Board										
Century Paper & Board Mills Limited	126,000	-	-	-	126,000	3,548	4,175	(627)	0.01	0.50%
Packages Limited	33,300	-	-	-	33,300	12,932	12,266	(666)	0.02	2.17%
						<u>16,480</u>	<u>16,441</u>	<u>(439)</u>	<u>0.02%</u>	<u>2.67%</u>
Refinery										
Attock Refinery Limited	-	49,400	-	-	49,400	12,328	12,574	246	0.02	2.22%
						<u>12,328</u>	<u>12,574</u>	<u>246</u>	<u>0.02%</u>	<u>2.22%</u>
Technology & Communications										
Ham Network Limited	250,000	-	-	-	250,000	1,400	1,375	(25)	0.00	0.24%
Systems Limited	62,500	-	-	35,000	26,700	10,769	10,515	(254)	0.02	1.86%
						<u>12,169</u>	<u>11,890</u>	<u>(279)</u>	<u>0.02%</u>	<u>2.11%</u>
Textile Composite										
Interloop Limited	562,371	130,000	-	62,371	610,000	21,680	27,548	5,868	0.04	4.88%
Gul Ahmed Textile Mills Limited	372,424	250,000	-	622,424	622,424	11,126	11,011	(115)	0.02	1.62%
Kohinoor Textile Mills Limited	294,000	-	-	294,000	-	-	-	-	-	0.00%
Nishat Mills Limited*	-	100,000	-	100,000	-	-	-	-	-	0.00%
						<u>32,806</u>	<u>38,559</u>	<u>5,753</u>	<u>0.07%</u>	<u>6.50%</u>
Tobacco										
PAKISTAN TOBACCO COMPANY LIMITED	8,400	6,500	-	-	15,900	10,343	11,591	1,248	0.02	2.05%
						<u>10,343</u>	<u>11,591</u>	<u>1,248</u>	<u>0.02%</u>	<u>2.05%</u>
Total as at September 30, 2023 (Unaudited)						509,791	546,677	36,896		
Total as at June 30, 2023 (Audited)						493,824	473,729	(20,105)		

* These denote related parties / connected persons.

** This has a face value of Rs 5 per share.

*** These shares aggregating to a market value of 37,050 million were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with 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**

5.1.2 Listed equity securities - Preference Shares

Name of investee company	As at July 1, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2023	As at September 30, 2023		Market value as percentage of total investments	Market value as a percentage of the paid up capital of the investee company
						Carrying value	Unrealised appreciation / (diminution)		
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	2,000,000	24,000	23,600	3.76%	4.18%
						<u>24,000</u>	<u>23,600</u>		<u>0.79%</u>
Total as at September 30, 2023 (Unaudited)						<u>24,000</u>	<u>23,600</u>		
Total as at June 30, 2023 (Audited)						<u>22,700</u>	<u>24,000</u>		<u>1,300</u>

5.1.2.1 These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 will be considered.

5.1.3 Government securities - Market Treasury Bills

Name of investee company	Issue date	Face value			Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
		As at July 1, 2023	Purchased during the period	Sold / matured during the period					
Treasury Bills-6 months	June 15, 2023	60,000	-	60,000	-	-	-	-	-
	August 10, 2023	-	60,000	60,000	-	-	-	-	-
	July 13, 2023	-	500,000	500,000	-	-	-	-	-
Total as at September 30, 2023					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2023					<u>57,665</u>	<u>57,581</u>	<u>(84)</u>		

5.2 Unrealised diminution on re-measurement of investments at fair value through profit or loss - net

Market value	September 30, 2023	June 30, 2023
Carrying value	564,277	555,302
	533,791	574,200
	<u>30,486</u>	<u>(18,898)</u>

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

		September 30, 2023 (Un-audited) (Rupees in '000)	June 30, 2023 (Audited)
6	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration Payable	6.1	1,680
	Sindh sales tax payable on management fee	6.2	218
	Sales load payable		-
	Allocated Expense Payable	6.3	51
		1,949	1,922

6.1 The Management Company has charged remuneration at the rate 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.

6.2 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.

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

		September 30, 2023 (Un-audited) (Rupees in '000)	June 30, 2023 (Audited)
	SECP fee	48	144
		48	144

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.

		(Un-audited) September 30, 2023 (Rupees in '000)	(Audited) June 30, 2023
8	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Federal Excise Duty and related tax on		
	- Management fee	8.1	19,027
	- Sales load		16,173
	Auditors' remuneration payable	921	674
	Brokerage payable	358	233
	Withholding tax on capital gains	-	-
	Others	201	182
		36,680	36,289

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

8.1 Federal Excise Duty on remuneration to the Management Company

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2023 would have been higher by Re. 4.67 per unit (June 30, 2023: Re. 4.41 per unit).

9 CONTINGENCIES AND COMMITMENTS

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

10 TAXATION

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

11 EARNING PER UNIT

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

12 EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 4.87% which includes 0.60% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

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

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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:

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

	For the three months ended September 30, 2023					For the three months ended September 30, 2022				
	As at July 1, 2023	Issued for cash	Redeemed	As at September 30, 2023	Units	As at July 1, 2022	Issued for cash	Redeemed	As at September 30, 2022	Units
Associated companies / undertakings										
Adamee Life Assurance Company Limited - Investment Multiplier Fund	3,878,276	-	-	3,878,276		287,047	-	-	323,008	
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	35,272	-		2,702	-	3,039	-	
Mandate Under Discretionary Portfolio Services										
Unit Holder holding 10% or more	287,748	-	-	287,748		22,039	-	-	23,966	
	957,285	-	-	957,285		72,867	-	-	79,229	
Associated companies / undertakings										
Adamee Life Assurance Company Limited - Investment Multiplier Fund	3,878,276	-	-	3,878,276		285,147	-	-	297,453	
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	-	35,272		2,884	-	-	2,705	
Mandate Under Discretionary Portfolio Services										
Key management personnel*	157,085	-	-	157,085		11,955	-	-	12,046	
	-	-	-	-		-	-	-	-	
Unit Holder holding 10% or more	1,036,747	3,438,892	-	4,473,639		78,889	280,529	-	343,115	

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

13.2 Details of transactions with the connected persons / related parties during the period are as follows:

	(Un-Audited) September 30, 2023	(Un-Audited) September 30, 2022
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)		
Remuneration of the Management Company (including indirect taxes)	6,071	7,885
Allocated expenses	163	212
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	368	478
CDC settlement charges	43	13
MCB Bank Limited - holding company of the Management Company		
Bank charges	2	1
D.G Khan Cement Company Limited		
Purchase of Shares 2023: 164,500 (2022: 200,000)	9,258	12,495
Sale of Shares 2023: 252,177 (2022: Nil)	11,604	6,681
Nishat Chunian Power Limited		
Purchase of Shares 2023: Nil (2022: 460,920)	-	7,402
Sale of Shares 2023: Nil (2022: 460,700)	-	8,991
Dividend Income	-	2,517
Nishat Mills Limited		
Purchase of Shares 2023: 100,000 (2022: 210,000)	6,103	15,159
Sale of Shares 2023: 100,000 (2022: 85,000)	6,411	6,724
Nishat Mills Limited		
Purchase of Shares 2023: 171,782 (2022: Nil)	8,464	-

	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
13.3 Amount outstanding as at period end / year end		
MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)		
Management remuneration payable	1,680	1,655
Sindh sales tax payable on management remuneration	218	215
Sales load payable	-	2
Payable against allocated expenses	51	50
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	102	100
Sindh Sales Tax payable on trustee remuneration	13	13
Security deposits	100	100
MCB Bank Limited - Parent of the Management Company		
Bank balances	4,585	5,264
D.G. Khan Cement Company Limited		
Shares held by the Fund 2023: 345,323 (2023: 433,000 shares)	14,994	22,213
International Steels Limited		
Shares held by the Fund 2023: 171,782 (2023: Nil shares)	7,302	-

* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / 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 related parties / 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

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

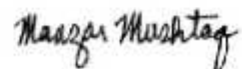
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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