



MCB FUNDS
Investments for Life

QUARTERLY REPORT

SEPTEMBER
2023
(UNAUDITED)

Funds Under Management of
MCB INVESTMENT MANAGEMENT LIMITED
(Formerly: MCB-Arif Habib Savings and Investments Limited)



PAKISTAN CAPITAL MARKET FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al Habib Limited Habib Bank Limited	National Bank of Pakistan JS Bank Limited Standard Chartered Bank Limited Zarai Traqiati Bank Limited Bank Al-Falah Limited
Auditors	BDO Ebrahim & Co. Chartered Accountants 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 **Pakistan Capital Market Fund's** 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 under review, the fund posted a return of 9.70% compared to the return of 10.07% posted by the benchmark.

On the equities front, the overall allocation stood at 67.6%. The exposure was mainly held in Commercial Banks and Cement.

On the fixed income side, the fund maintained its exposure towards cash to benefit from attractive rates offered by banks.

The Net Assets of the Fund as at September 30, 2023 stood at Rs. 356 million as compared to Rs. 333 million as at June 30, 2023 registering a increase of 6.9%.

The Net Asset Value (NAV) per unit as at September 30, 2023 was Rs. 11.65 as compared to opening NAV of Rs. 11.02 per unit as at June 30, 2022 showing an increase of Rs. 0.63 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

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، فکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 23.0 فیصد بڑھ کر 454 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 1.7 فیصد بڑھ کر 170 بلین روپے ہو گئے۔ شعبہ جاتی شراکت کے اعتبار سے ستمبر 2023ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.2 فیصد کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈ 25.3 فیصد کے ساتھ تھے، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈ 8.5 فیصد کے ساتھ تھے۔

میوچل فنڈ صنعت کی مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمدورفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم آئی ایم ایف معاہدے کے بعد خارجی خدشات کم ہو گئے ہیں اور طویل المیعاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگا سکتے ہیں۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

اظہار تشکر

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

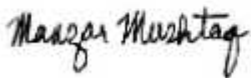
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء



منظر مشتاق

ڈائریکٹر

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

زیر جائزہ مدت کے دوران فنڈ کا منافع 9.70 فیصد تھا، جبکہ اس کا بیچ مارک منافع 10.07 فیصد تھا۔ ایکویٹیز کے شعبے میں مجموعی سرمایہ کاری 67.6 فیصد تھی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ کے شعبے میں تھی۔ فیکسڈ انکم کے شعبے میں فنڈ نے نقد میں سرمایہ کاری برقرار رکھی تاکہ بینکوں کی جانب سے پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جاسکے۔ 30 ستمبر 2023ء کو فنڈ کے net اثاثہ جات 356 ملین روپے تھے، جبکہ 30 جون 2023ء کو 333 ملین روپے تھے، یعنی 6.9 فیصد اضافہ ہوا۔ 30 ستمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 11.65 روپے تھی، جبکہ 30 جون 2023ء کو ابتدائی این اے وی 11.02 روپے فی یونٹ تھی، یعنی 0.63 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

ڈائریکٹر رپورٹ

میں جو جوہر 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 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 جوہر 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

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیپیٹل 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 اگریمینٹ (ایس بی اے) کر لیا، جس میں سے 1.2 بلین ڈالر فوری طور پر جاری کر دیئے گئے۔ اس کے بعد سعودی عرب اور متحدہ عرب امارات سے 3 بلین ڈالر کی مزید آمد، اور چین کی طرف سے بروقت رول اوور کی فراہمی عمل میں آئی۔ اس کے نتیجے میں خارجی منظر نامے میں خوش آئند پیش رفت کی بدولت Fitch کی جاری کردہ پاکستان کی خود مختار درجہ بندی -CCC سے بہتر ہو کر CCC ہو گئی۔

مجموعی معاشی مسائل اگست 2023ء میں دوبارہ اُبھرنے لگے جب سیاسی منظر نامہ تبدیل ہوا اور نگران حکومت آئی۔ درآمدات کے واجبات کی ادائیگی کے لیے نئی مالیاتی ٹیم کی فوری کوشش کو خارجی اکاؤنٹ کی صورتحال میں کمزوری کے طور پر قیاس کیا گیا جس سے روپے پر قابل ذکر دباؤ پڑا۔ انٹرنیٹ میں ڈالر کے مقابلے میں روپے کی قدر میں 307 روپے کی کمی ہوئی جبکہ اوپن مارکیٹ کی شرح تقریباً 330 روپے کے آس پاس رہی۔ نگران حکومت نے، اگرچہ کچھ تاخیر کے ساتھ، ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے ناجائز استعمال کے حوالے سے فیصلہ گن اقدام کیے جس کے نتیجے میں زرمبادلہ کی شرح تیزی سے بحال ہوئی اور اوپن مارکیٹ اور انٹرنیٹ کی شرحوں میں فرق ختم ہوا۔ باقاعدہ بنیادوں پر کارروائی اور ایشیا اور روپے کی اسمگلنگ کی روک تھام ملک کے حالات میں بہتری کی نوید ہیں۔

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

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

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی 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**

	Note	(Un-Audited) September 30, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023 -----
ASSETS			
Balances with banks	4	110,308	47,311
Investments	5	248,826	298,966
Dividend and profit receivables		3,244	1,756
Advances, deposits and prepayments		4,928	4,928
Receivable against sale of investments		537	-
Total assets		367,842	352,961
LIABILITIES			
Payable to the Management Company	6	1,119	1,073
Payable to the Central Depository Company of Pakistan Limited - Trustee		65	65
Payable to the Securities and Exchange Commission of Pakistan	8	24	70
Payable against purchase of investment		0	8,720
Payable against redemption of units		216	216
Accrued expenses and other liabilities	9	10,148	9,822
Total liabilities		11,573	19,966
NET ASSETS		356,269	332,995
Unit holders' fund (as per statement attached)		356,269	332,995
Contingencies and commitments	10	(Number of units)	
NUMBER OF UNITS IN ISSUE		30,592,483	30,207,113
NET ASSETS VALUE PER UNIT		11.65	11.02

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

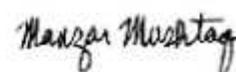
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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			
Dividend income		5,943	8,553
Income from government securities		2,825	638
Profit on bank deposits		3,048	3,682
Income from term finance certificate		-	7
Capital gain / (loss) on sale of investments - net		8,209	(512)
Income on NCCPL deposit against exposure margin		71	44
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss' - net		15,709	(3,957)
Total income		35,806	8,455
EXPENSES			
Remuneration of the Management Company		3,045	3,210
Sindh Sales Tax on remuneration of the Management Company.		396	417
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		182	192
Sales Tax on remuneration of the trustee		24	25
Securities and Exchange Commission of Pakistan - fee		77	19
Allocated expense		91	96
Securities transaction cost		425	184
Settlement, bank charges		123	122
Fees and subscription		(0)	7
Auditors' remuneration		191	168
Printing and related cost		25	31
Legal and professional charges		79	67
Total expenses		4,659	4,538
Net income for the period before taxation		31,148	3,917
Taxation	12	-	-
Net income for the period after taxation		31,148	3,917
Allocation of net income for the period:			
Net income for the period		31,148	3,917
Income already paid on units redeemed		(65)	(1,308)
		31,082	2,609
Accounting income available for distribution:			
- Relating to capital gains		23,919	-
- Excluding capital gains		7,163	2,609
Accounting income available for distribution		31,082	2,609
Earning per unit	13		

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

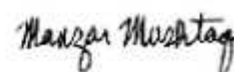
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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	31,148	3,917
Other comprehensive income for the period	-	-
Total comprehensive income for the period	31,148	3,917

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

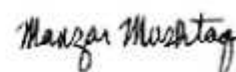
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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	311,562	21,433	332,995	372,388	9,221	381,609
Issuance of 3,856,843 units (2022: 582,167 units)						
- Capital value (at net asset value per unit at the beginning of the period)	42,502	-	42,502	6,200	-	6,200
- Element of income	2,503	-	2,503	(16)	-	(16)
Total proceeds on issuance of units	45,006	-	45,006	6,184	-	6,184
Redemption of 3,471,473 units (2022: 3,341,126 units)						
- Capital value (at net asset value per unit at the beginning of the period)	38,190	-	38,190	34,275	-	34,275
- Element of loss	2,542	65	2,607	1,059	1,308	2,367
Total payments on redemption of units	40,732	65	40,798	35,335	1,308	36,642
Total comprehensive income for the period	-	31,148	31,148	-	3,917	3,917
Final Distribution for the year ended June 30, 2023 at the rate of Rs. 10.62 per unit.		(12,082)	(12,082)		-	-
Net Income for the period	-	19,065	19,065	-	3,917	3,917
Net assets at end of the period	315,836	40,433	356,269	343,238	11,830	355,068
Undistributed income brought forward						
- Realised		27,052			44,947	
- Unrealised		(5,619)			(35,726)	
		21,433			9,221	
Accounting income available for distribution						
- Relating to capital gains		23,919			-	
- Excluding capital gains		7,163			2,609	
		31,082			2,609	
Distribution during the period		(12,082)			-	
Undistributed income carried forward		40,433			11,830	
Undistributed income carried forward						
- Realised		24,723			15,788	
- Unrealised		15,709			(3,957)	
		40,433			11,830	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period	11.02			10.65		
Net assets value per unit at end of the period	11.65			10.73		

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

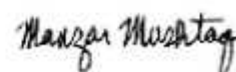
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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	31,148	3,917
Adjustments for:		
Unrealised diminution in value of investments classified as at fair value through profit or loss - net	(15,709)	3,957
	(15,709)	3,957
Decrease / (Increase) in assets		
Investments	65,850	139,025
Dividend and profit receivables	(1,488)	(841)
Advances, deposits and prepayments	0	7
Receivable against sale of investments	(537)	(6,142)
	63,825	132,048
Increase / (Decrease) in liabilities		
Payable to the Management Company	46	(56)
Payable to the Central Depository Company of Pakistan Limited - Trustee	0	(3)
Payable to the Securities and Exchange Commission of Pakistan	(46)	(70)
Payable against purchase of investment	(8,720)	(29,661)
Accrued expenses and other liabilities	326	197
	(8,393)	(29,594)
Net cash generated from operating activities	70,870	110,330
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	45,006	1,431
Dividend	(12,082)	-
Payment against redemption of units	(40,798)	(31,889)
Net cash used in financing activities	(7,873)	(30,457)
Net increase in cash and cash equivalents during the period	62,997	79,872
Cash and cash equivalents at beginning of the period	47,311	41,404
Cash and cash equivalents at end of the period	110,308	121,276

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

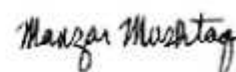
For MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)
(Management Company)



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 Pakistan Capital 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). The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the Sindh Trust Act, 2020 (the Sindh trust Act). Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and secured debt securities, money market transactions and reverse repurchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an 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 the 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

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

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2023.

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

		(Unaudited) September 30, 2023 — (Rupees in '000) —	(Audited) June 30, 2023
4	BALANCES WITH BANKS		
	Current accounts	4.1 3,695	2,791
	Savings accounts	4.2 106,613	44,520
		110,308	47,311

4.1 These include Rs. 1.729 million (2022: Rs 1.929 million) maintained with MCB Bank Limited, a connected person / related party

4.2 These carry profit at the rates 20.5% (2023: 12.75% to 19.5%) per annum and include Rs.0.892 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 20.5% per annum

		(Unaudited) September 30, 2023 — (Rupees in '000) —	(Audited) June 30, 2023
5	INVESTMENTS		
	At fair value through profit or loss		
	Listed equity securities	5.1 248,826	230,828
	Government securities	5.2 -	68,138
		248,826	298,966

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

5.1 Listed Equity Securities - 'At fair value through profit or loss'

Name of the investee company	As at September 30, 2023										
	As at July 1, 2023	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2023	Carrying Value	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total Investments	Market value as a percentage of total paid up capital of the investee company
			Number of Shares						%	%	%
Automobile Parts & Accessories											
The Limitad**	300	0	0	100	-	-	-	-	0.00%	0.00%	0.00%
Cement											
D.G. Khan Cement Company Limited***	228,000	123,500	-	258,500	82,000	3,554	(94)	1.00%	1.43%	0.02%	
Fauji Cement Company Limited****	1,248,750	139,000	-	347,750	1,040,000	12,353	(587)	3.30%	4.73%	0.04%	
Kohat Cement Company Limited	30,300	-	-	30,300	-	-	-	0.00%	0.00%	0.00%	
Lucky Cement Limited	35,500	268	-	19,168	18,800	8,671	897	2.83%	3.78%	0.01%	
Macle Leaf Cement Factory Limited****	655,000	456,500	-	114,000	997,800	29,169	899	9.98%	12.00%	0.06%	
						53,847	712	15.31%	21.93%	0.16%	
Commercial Banks											
Bank Alfajal Limited	152,247	356,000	-	324,247	196,000	6,173	982	2.01%	2.88%	0.01%	
Faysal Bank Limited	-	280,000	-	21,500	259,500	5,765	(344)	1.62%	2.32%	0.02%	
Habib Bank Limited	-	67,000	-	32,000	35,000	3,165	388	0.89%	1.27%	0.00%	
Habib Metropolitan Bank Limited	-	170,000	-	23,100	170,000	7,493	(1,394)	1.73%	2.48%	0.02%	
Meezan Bank Limited	117,000	121,600	-	30,500	219,500	21,837	2,881	6.93%	9.93%	0.01%	
United Bank Limited****	59,000	111,500	-	30,500	140,000	17,769	2,335	5.84%	8.08%	0.01%	
						62,158	4,889	16.82%	28.96%	0.97%	
Chemicals											
Archnoma Pakistan Limited	3,800	-	-	-	3,800	1,786	(114)	0.47%	0.87%	0.01%	
						1,786	(114)	0.47%	0.87%	0.01%	
Engineering											
International Steels Limited	-	140,000	-	-	140,000	6,664	(713)	1.87%	2.38%	0.03%	
Mughal Iron & Steel Industries Limited	355,000	33,000	-	68,000	130,000	6,450	32	1.82%	2.60%	0.04%	
						13,114	(681)	3.48%	5.00%	0.07%	
Fertilizer											
Engro Corporation Limited	35,000	-	-	35,000	-	-	-	0.00%	0.00%	0.00%	
Engro Fertilizer Limited	40,000	-	-	40,000	-	-	-	0.00%	0.00%	0.00%	
Fauji Fertilizer Bin Qasim Limited	455,000	-	-	119,000	336,000	3,958	869	1.30%	1.96%	0.03%	
Fauji Fertilizer Company Limited	-	38,000	-	-	38,000	3,648	(120)	0.98%	1.42%	0.00%	
						7,808	539	2.29%	3.27%	0.03%	
Food & Personal Care Products											
National Foods Limited	60,000	-	-	7,800	52,200	5,136	576	1.60%	2.30%	0.02%	
Shezan International Limited	7,956	-	-	7,956	-	-	-	0.00%	0.00%	0.00%	
The Organic Meat Company Limited	112,210	-	-	112,210	-	-	-	0.00%	0.00%	0.00%	
						5,136	576	1.60%	2.30%	0.02%	
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited**	206,500	-	-	206,500	-	-	-	0.00%	0.00%	0.00%	

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

	80,000	-	-	-	-	-	0.00%	0.00%	0.00%
Miscellaneous									
Synthetic Products Limited**	80,000	-	-	-	-	-	0.00%	0.00%	0.00%
Oil & Gas Exploration Companies									
Main Petroleum Company Limited	11,000	800	-	-	10,121	10,390	2.92%	4.18%	0.00%
Oil & Gas Development Company Limited*	84,000	-	-	-	6,240	7,717	1.47%	3.05%	0.00%
Pakistan Petroleum Limited	-	88,000	-	-	6,439	6,518	0.00%	2.82%	0.00%
					22,780	24,625	0.91%	0.00%	0.00%
Oil And Gas									
Shell (Pakistan) Limited	22,000	-	-	-	2,692	3,670	1.00%	1.43%	0.00%
Sul Northern Gas Pipelines Limited	80,000	-	-	-	2,892	3,670	1.00%	1.43%	0.00%
Paper And Board									
Packages Limited	15,900	-	-	-	6,029	5,709	1.60%	2.26%	0.00%
					6,029	5,709	1.60%	2.26%	0.00%
Pharmaceuticals									
APF Limited	30,000	-	-	-	2,565	2,511	0.00%	0.00%	0.00%
Citi Pharma Limited	151,000	36,000	-	-	3,031	3,078	0.66%	1.24%	0.00%
Ferrosan Laboratories Limited	24,000	-	-	-	5,801	5,571	1.61%	2.16%	0.00%
Halsco Pakistan Limited	24,000	17,000	-	-	2,741	3,008	0.67%	1.26%	0.00%
Highnoon Laboratories Limited	8,855	-	-	-	14,119	14,168	3.97%	6.69%	0.16%
Power Generation & Distribution									
Hub Power Company Limited	200,000	-	-	-	12,915	15,634	4.50%	6.28%	0.00%
					12,915	15,634	4.50%	6.28%	0.00%
Refinery									
Attock Refinery Limited	-	28,400	-	-	6,895	7,239	2.03%	2.81%	0.00%
					6,895	7,239	2.03%	2.81%	0.00%
Technology & Communications									
Systems Limited	34,500	-	-	-	-	-	0.00%	0.00%	0.00%
Textile Composite									
Gul Ahmed Textile Mills Limited	250,022	100,000	-	-	6,278	6,192	1.74%	2.46%	0.00%
Interloop Limited	312,375	44,000	-	-	11,605	14,482	4.07%	5.82%	0.00%
Kohinoor Textile Mills Limited	80,341	-	-	-	17,883	20,674	6.00%	8.31%	0.00%
					35,022	30,674	6.00%	8.31%	0.00%
Tobacco									
PAKISTAN TOBACCO COMPANY	4,000	6,500	-	-	6,455	7,885	1.20%	3.08%	0.00%
					6,455	7,885	1.20%	3.08%	0.00%
Total at September 30, 2023 (Unaudited)					233,116	248,826			
Total at June 30, 2023 (Audited)					208,949	230,828			

* Nil figures due to rounding off

** These have a face value of Rs. 5 per share

*** These include transactions with related party.

Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

Name of security	--- (Number of shares) ---			
	Sep 30, 2023	June 30, 2023	Sep 30, 2023	June 30, 2023
United Bank Limited	80,000	80,000	7,195	6,877
Macle Jari Cement Factory Limited	100,000	100,000	2,964	2,833
Pafj Cement Company Limited	800,000	800,000	8,688	8,880
	800,000	800,000	16,855	14,690

*** The above include shares with a market value aggregating to Rs. 15,829 million (June 30 2023: 14,800 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Funds trades in accordance with Circular no. 11 dated October 23, 2017 issued by the Securities and Exchange Commission of Pakistan.

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

6 PAYABLE TO THE MANAGEMENT COMPANY

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
Remuneration payable	6.1	965	925
Sales tax on remuneration payable	6.2	125	120
Payable against allocated expenses	6.3	29	28
		<u>1,119</u>	<u>1,073</u>

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.

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax			
- On management fee	7.1	5,872	5,872
- Sales load		393	393
Legal and professional charges		33	39
Withholding tax payable		2	1
Dividend payable		2,784	2,784
Auditors' remuneration		751	560
Brokerage		250	133
Other		64	40
		<u>10,148</u>	<u>9,822</u>

7.1 Provision for Federal Excise Duty and related tax

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 period ended June 30, 2023. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2023 would have been higher by Re.0.205 per unit (June 30, 2023: Re. 0.21 per unit).

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

		(Unaudited) September 30, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
SECP fee payable		24	70
		<u>24</u>	<u>70</u>

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

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.085% and introduced a shift in payment frequency, from annual to monthly basis

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

9 CONTINGENCIES AND COMMITMENTS

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

10 EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2023 is 5.11% which includes 0.60% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

11 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).

12 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.

13. Earnings / (Loss) per unit

(Loss) / 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.

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

14 TRANSACTIONS WITH 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 and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

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

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

14.1 Details of transactions with connected persons are as follows:

	(Unaudited) For the Quarter Ended September 30,	
	2023	2022
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)		
Remuneration for the period including indirect taxes	3,441	3,627
Allocated expense	91	96
MCB Bank Limited		
Bank charges	0	1
Mark-up income	-	13
D.G Khan Cement Company Limited		
Purchase of 112,500 (2022: 18,000) shares	5,449	1,137
Sale of 258,500 (2022: 17,000) shares	11,074	1,023
International Steels Limited		
Purchase of 140,000 (2022: Nil) shares	6,676	-
Dividend	350	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	206	217
CDS charges	24	6

*The amount disclosed represents the amount of brokerage paid / payable 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 counterparties are not connected persons.

14.2 Amounts outstanding as at period / year end:

	(Unaudited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
MCB Investments Management Limited - Management Company (Formerly: MCB Arif Habib Savings and Investments Limited)		
Remuneration payable	965	925
Sales tax payable on management fee	125	120
Allocated expense payable	29	28
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	300	300
Remuneration payable	58	58
Sales tax payable on trustee fee	7	7
MCB Bank Limited		
Bank balance	2,621	2,214
Profit receivable on bank deposits	35	35
D.G. Khan Cement Company Limited		
82,000 (2023: 228,000) shares held	3,560	11,696
International Steels Limited		
140,000 (2023: Nil) shares held	5,951	-

MCB INVESTMENT MANAGEMENT LIMITED

(Formerly: MCB Arif Habib Savings and Investments Limited)

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

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