

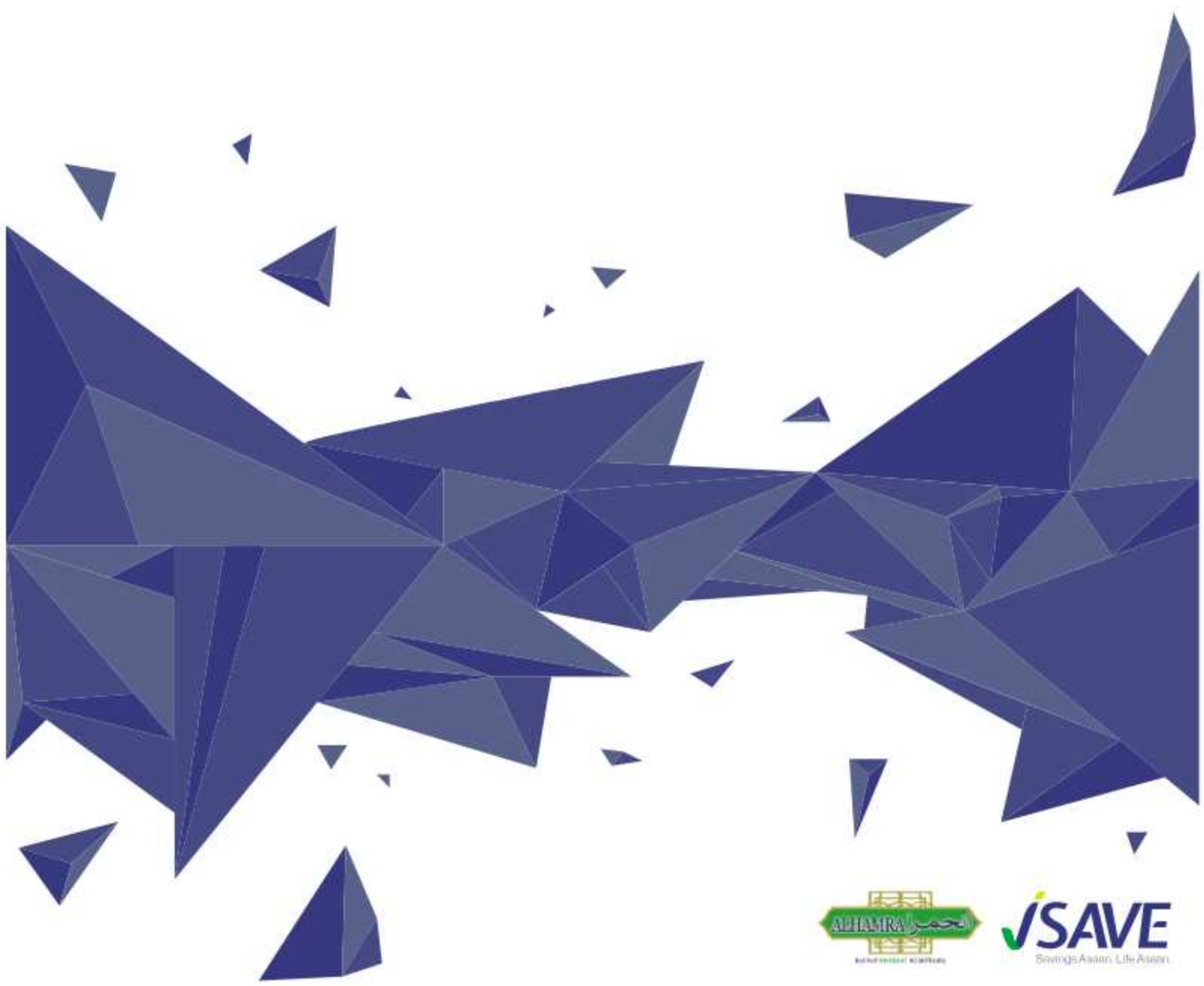


MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2023
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN SOVEREIGN FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah 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. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
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 Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited	Habib Metropolitan Bank Limited United Bank Limited Zarai Taraqati Bank Limited Js Bank Limited National Bank Of Pakistan
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 Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Sovereign Fund** accounts review for the Half Year ended December 31, 2023.

Economy and Money Market Review

The first half of the fiscal year concluded with Pakistan's macros in a considerably better shape compared to the start of the fiscal year. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3 billion from the IMF in June 23, of which USD 1.2bn was promptly disbursed. This was followed by additional inflows and timely rollovers from friendly countries, which led to an upgrade in Pakistan's sovereign rating by Fitch from CCC- to CCC due to the improved external outlook.

The new caretaker government, after facing speculative pressure on currency, took decisive steps against smuggling of dollar and abuse of Afghan Transit in September 2023, which spurred a rapid recovery in the exchange rate and reduction of the difference between open market and interbank rates. This led to improvement in remittances and export proceeds and helping the rupee to appreciate to PKR 281.9 against the USD by December end compared to a low of PKR 307.

Country posted a current account deficit (CAD) of USD 0.8 billion in the first half of the fiscal year 2024 (1HFY24) declining by 77% YoY compared to a deficit of USD 3.6 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 7.5% increase in exports coupled with a 14.7% drop in imports led to a 35.2% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 8.2 billion as of December 2023 compared to USD 4.4 billion at the end of last fiscal year. This was on account of flows from the IMF, friendly countries and multilateral sources.

Headline inflation represented by CPI averaged 28.8% during first half of the fiscal year compared to 25% in the corresponding period last year. Inflation remained on the higher side as massive currency depreciation in the prior periods led to surge in food and energy prices. The government also hiked electricity base tariff and gas prices to comply with the IMF conditions, which led to further inflationary pressures. The SBP maintained status quo in the monetary policy held on December 12, 2023. The Committee assessed that the real interest rate continues to be positive on a 12-month forward-looking basis and inflation is expected to remain on a downward path.

The country's revised GDP growth recorded at -0.17% in FY23 with Agricultural and Services sector increasing by 2.3% and 0.1%, respectively, while industrial sector witnessed a drop of 3.8%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. GDP grew by 2.13% in the first quarter of the financial year 2023-24 as compared to 0.96% in the same period last year. Agriculture, Industry and Services sectors grew by 5.1%, 2.5% and 0.8% respectively. On the fiscal side, FBR tax collection increased by 30.3% in 1HFY24 to PKR 4,468 billion compared to PKR 3,428 billion in the same period last year, outpacing the target by PKR 43 billion.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 22.45% as against its benchmark return of 23.65%. At period-end, the fund decreased its exposure in cash to 18.9% from 20.1%.

The Net Assets of the Fund as at December 31, 2023 stood at Rs. 11,896 million as compared to Rs. 674 million as at June 30, 2023 registering an increase of 1664.99%.

The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 59.91 as compared to opening NAV of Rs. 53.82 per unit as at June 30, 2023 registering an increase of Rs. 6.09 per unit.

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 3.4% in FY24 after a dismal performance last year. The industrial and services sector are 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 to 8.2 million bales in 1HFY24 compared to 4.9 million bales in FY23.

Successful resumption of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 10.1 billion 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 3.1 billion (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. The remittances and export proceeds have also recovered, which will help in stabilizing the currency. 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 around PKR 306 at an ending REER of 95.

We expect average FY24 inflation to ease to 24.8% 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 to 19.0% by June 2024. 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 June 2024, however, its pace and timing would be determined by trend in FX reserves.

Risks to recovery also continue to remain high as the cushion in Forex reserves continues to remain low and remain dependent of continued need for rollovers on bilateral loans and support from multilateral institutions. Country desperately needs political stability for

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2023

focus on steering economy through focus on long term policies. Post elections, winning the support of IMF in the form of another program would be one of biggest challenge for incumbent government requiring tough measures to address long term vulnerabilities. Conflict in Middle East, tensions on Palestinian and potential threat of a wider conflict continue to remain high.

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 9.5%, a discount of 51% from its historical average of 19.3%. Similarly, Earning Yield minus Risk Free Rate is close to 8.7%, compared to the historical average of 3.0% 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 4.2x, while offering a dividend yield of 10.6%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. Investors with a mid to long term view can benefit from Bond and Income Funds where higher duration will create opportunities for capital gains in the wake of Interest rate outlook. 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 near term.

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 34.1% during 1HFY24 to PKR 2,097bn. Total money market funds grew by about 15.8% since June 2023. Within the money market sphere, conventional funds showed a growth of 16.6% to PKR 551 billion while Islamic funds increased by 15.0% to PKR 493 billion. In addition, the total fixed Income funds increased by about 80.7% since Jun 2023 to PKR 667 billion while Equity and related funds increased by 33.0% to PKR 223 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 49.8%, followed by Income funds with 31.8% and Equity and Equity related funds having a share of 10.6% as at the end of December 2023.

Mutual Fund Industry Outlook

Both Bonds and Equities are likely to do well in the next year on the back of cut in interest rates. During the year, significant interest of investors is already visible in Income Funds while equity fund are likely to see inflows post elections and new IMF agreement. High interest rates during the period would encourage sustained flows in the money market funds as they are ideal for investors with a short-term horizon and low risk profile. 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.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

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,



Khawaja Khalil Shah
Chief Executive Officer
February 02, 2024



Manzar Mushtaq
Director
February 02, 2024

میوچل فنڈ صنعت کا نقطہ نظر

بانڈز اور ایکویٹیز، دونوں کا اگلے سال اچھی کارکردگی کا مظاہرہ کرنے کا امکان ہے کیونکہ سود کی شرحوں میں کمی ہوئی ہے۔ دوران سال انکم فنڈز میں سرمایہ کاروں کی قابل ذکر دلچسپی دیکھی گئی، جبکہ ایکویٹی فنڈز میں انتخابات اور نئے آئی ایم ایف معاہدے کے بعد آمدات متوقع ہیں۔ دوران مدت سود کی بلند شرحوں کی بدولت منی مارکیٹ فنڈز میں پائیدار 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۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت 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 شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز



Manzoor Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2024ء

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2024ء

ہوگی۔ مشرق وسطیٰ میں تنازعہ، فلسطین میں جنگ، اور وسیع تر تصادم کا خطرہ بدستور بلند ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ کا cap جی ڈی پی کے ساتھ تناسب کم ہو کر 9.5 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.3 فیصد سے 51 فیصد کمی ہے۔ اسی طرح Earning Yield مائنس محفوظ شرح 8.7 فیصد کے قریب ہے، جس کا 3.0 فیصد کے 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 4.2x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ آمدنی 10.6 فیصد ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ وسط سے طویل مدتی نقطہ نظر کے حامل سرمایہ کار بانڈ اور انکم فنڈ سے فائدہ اٹھا سکتے ہیں جہاں زیادہ مدت سود کی شرح کے نقطہ نظر کے تناظر میں سرمایہ حاصل کرنے کے مواقع موجود ہیں۔ ہم ڈیٹا پوائنٹس کی نگرانی اور پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کی پہلی ششماہی کے دوران تقریباً 34.1 فیصد بڑھ کر 2,097 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 16.6 فیصد بڑھ کر 551 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 15.0 فیصد بڑھ کر 493 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 80.7 فیصد بڑھ کر 667 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 33.0 فیصد بڑھ کر 223 بلین روپے ہو گئے۔

شعبہ جاتی شراکت کے اعتبار سے دسمبر 2023ء کے اختتام پر منی مارکیٹ فنڈ تقریباً 49.8 فیصد کے ساتھ سب سے آگے تھے، جبکہ انکم فنڈ 31.8 فیصد کے ساتھ دوسرے نمبر پر، اور ایکویٹی اور متعلقہ فنڈ 10.6 فیصد کے ساتھ تیسرے نمبر پر تھے۔

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالاجہتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوست ممالک، آئی ایم ایف اور کثیرالاجہتی ایجنسیوں سے آمدات کی بنیاد پر اسٹیٹ بینک آف پاکستان کے ذخائر متوقع طور پر بڑھ کر 10.1 بلین ڈالر ہو جائیں گے۔ تاہم ہماری خارجی صورتحال تاحال بے یقینی کا شکار ہے کیونکہ مشکل عالمی حالات کے باعث ہم متوقع طور پر بین الاقوامی یورو بانڈ اور سٹاک جاری نہیں کر سکیں گے۔ غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور آر ڈی اے 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 حصول استحکام کی پالیسی ممکنہ طور پر ایم ایف کی چھتری تلے جاری رہے گی۔

ڈالر کی غیر قانونی درآمد اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ ترسیلات زر اور برآمداتی آمدنیاں بھی بحال ہوئی ہیں جس کی بدولت روپے کی قدر کو پائیدار بنانے میں مدد ملے گی۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیرالاجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر روپیہ مالی سال کے اختتام پر تقریباً 306 ہوگا اور اختتامی 95 REER ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.8 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 کیونکہ ہیڈ لائن عدد ماہ جون 2024ء تک تیزی سے گر کر 19.0 فیصد ہو جائے 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۔ ماہ جون 2024ء تک مجموعی طور پر تقریباً 4.0 فیصد مجموعی کمی متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

وصولی کو لاحق خطرات بھی بدستور بلند رہیں کیونکہ غیر ملکی زرمبادلہ (فاریکس) کے ذخائر میں موجود cushion بدستور کم اور دو جہتی قرضوں اور کثیرالاجہتی اداروں سے معاونت پر منحصر ہے۔ ملک میں سیاسی استحکام کی اشد ضرورت ہے تاکہ طویل المیعاد پالیسیوں پر توجہ مرکوز کر کے معیشت کو ترقی کی راہ پر گامزن کیا جاسکے۔ انتخابات کے بعد آئی ایم ایف سے ایک اور پروگرام کی صورت میں معاونت کا حصول برسر اقتدار حکومت کے لیے سب سے بڑا چیلنج ہوگا کیونکہ طویل المیعاد خطرات پر توجہ دینے کے لیے سخت اقدامات کی ضرورت

ڈائریکٹرز رپورٹ

نظر ثانی شدہ مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی مالی سال 2024ء میں 0.17- فیصد ریکارڈ ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 2.3 فیصد اور 0.1 فیصد ترقی ہوئی جبکہ صنعت کے شعبے میں 3.8 فیصد گراؤٹ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمدی پابندیاں صنعتی پیداوار میں کمی کے سب سے بڑے عوامل تھے۔ مالی سال 2023-24ء کی پہلی سہ ماہی میں جی ڈی پی میں 2.13 فیصد اضافہ ہوا، بالمقابل گزشتہ سال مماثل مدت میں 0.96 فیصد کے۔ زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 5.1 فیصد، 2.5 فیصد اور 0.8 فیصد ترقی ہوئی۔ مالیاتی جہت میں دیکھا جائے تو ایف بی آر ٹیکس وصولی مالی سال 2024ء کی پہلی سہ ماہی میں 30.3 فیصد بڑھ کر 4,468 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 3,428 بلین روپے کے، چنانچہ ہدف سے 43 بلین روپے زیادہ ٹیکس وصولی ہوئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 22.45 فیصد تھا، بالمقابل مقررہ معیار 23.65 فیصد کے۔ اختتام مدت پر فنڈ نے نقد میں اپنی سرمایہ کاری 20.1 فیصد سے کم کر کے 18.9 فیصد کر لی۔

31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 11,896 ملین روپے تھے، جو 30 جون 2023ء کو 674 ملین روپے کے مقابلے میں 1664.99 فیصد اضافہ ہے۔

31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 59.91 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 53.82 روپے فی یونٹ کے مقابلے میں 6.09 روپے فی یونٹ اضافہ ہے۔

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 3.4 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 کی فصل مالی سال 2024ء کی پہلی سہ ماہی میں بڑھ کر 8.2 ملین گانٹھیں ہو گئی، بالمقابل مالی سال 2023ء میں 4.9 ملین گانٹھوں کے۔

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان Sovereign فنڈ کے اکاؤنٹس برائے ششماہی مُختتمہ 31 دسمبر 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال کی پہلی ششماہی کے اختتام پر پاکستان کے مجموعی معاشی عوامل کی صورتحال آغاز سال کے مقابلے میں کافی بہتر تھی۔ حکومت نے جون 2023ء میں آئی ایم ایف سے 3 بلین ڈالر کا اسٹینڈ بائی ارینجمنٹ (ایس بی اے) حاصل کر لیا جس میں سے 1.2 بلین ڈالر فوری طور پر جاری کر دیئے گئے۔ اس پیش رفت کے بعد دوست ممالک سے اضافی آمدات اور بروقت rollovers عمل میں آئے جس کے نتیجے میں خارجی سطح پر بہتر امکانات کی بدولت Fitch کی جاری کردہ پاکستان کی خود مختار درجہ بندی -CCC سے CCC کر دی گئی۔

نئی نگران حکومت نے روپے پر قیاس آرائی کے دباؤ کا سامنا کرنے کے بعد ستمبر 2023ء میں ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے غلط استعمال کے خلاف فیصلہ کن اقدام اٹھائے جن کی بدولت زرمبادلہ کی شرح میں تیزی سے بہتری آئی اور اوپن مارکیٹ اور انٹرنیٹ شرح کے فرق میں کمی ہوئی۔ اس کے نتیجے میں ترسیلات زراور برآمدات سے ہونے والی آمدنی میں بہتری آئی اور دسمبر کے اختتام پر روپے کی قدر ڈالر کے مقابلے میں 307 سے کم ہو کر 281.9 ہو گئی۔

مالی سال 2024ء کی پہلی ششماہی میں ملک کا کرنٹ اکاؤنٹ کا خسارہ (سے اے ڈی) 0.8 بلین ڈالر تھا، جو گزشتہ سال کی مماثل مدت میں 3.6 بلین ڈالر کے مقابلے میں 77 فیصد سال در سال (YoY) کمی ہے۔ سی اے ڈی میں کمی میں اہم ترین کردار تجارتی خسارے میں کمی کا تھا کیونکہ برآمدات میں 7.5 فیصد اضافے اور درآمدات میں 14.7 فیصد کمی کے نتیجے میں تجارتی خسارہ 35.2 فیصد سُکڑ گیا۔ ایس بی پی کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے اختتام پر 4.4 بلین ڈالر سے بڑھ کر دسمبر 2023ء تک 8.2 بلین ڈالر ہو گئے، جس کے نتیجے میں ملک کی خارجی صورتحال بہتر ہو گئی۔ یہ آئی ایم ایف، دوست ممالک اور کثیر الجہتی ذرائع سے آمدات کی بدولت ممکن ہوا۔

ہیڈ لائن مہنگائی، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط مالی سال 2024ء کی پہلی ششماہی کے دوران 28.8 فیصد تھا، جبکہ گزشتہ سال مماثل مدت میں 25 فیصد تھا۔ مہنگائی بلند سطح پر رہی کیونکہ گزشتہ مدتوں میں روپے کی قدر میں خطیر کمی کے نتیجے میں اشیائے خورد و نوش اور توانائی کی قیمتوں میں اضافہ ہوا۔ حکومت نے آئی ایم ایف کی شرائط پوری کرنے کے لیے بجلی کی بنیادی قیمت اور گیس کی قیمتوں میں اضافہ کیا جس کے نتیجے میں مہنگائی کا دباؤ مزید بڑھا۔ ایس بی پی نے 12 دسمبر 2023ء کو منعقدہ مانیٹری پالیسی میں جمود کو بنیادی طور پر برقرار رکھا۔ کمیٹی نے اندازہ لگایا کہ سود کی حقیقی شرح اگلے 12 ماہ کے امکانات کی بنیاد پر مثبت رہے گی اور مہنگائی میں کمی کا رجحان برقرار رہے گا۔

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN SOVEREIGN FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Sovereign Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 21, 2024



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



A.F. FERGUSON & CO.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Pakistan Sovereign Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2022 and the financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 17, 2023 and September 20, 2023 respectively.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Junaid Mesia**
Dated: February 26, 2024
Karachi
UDIN: RR202310611mQ6LDZ79b

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

*KARACHI *LAHORE *ISLAMABAD

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2023**

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	(Rupees in '000)	
ASSETS		
Bank balances	4 2,579,660	192,195
Investments	5 10,840,731	511,943
Profit receivable	220,770	19,736
Advances, prepayments and other receivables	4,486	3,246
Total assets	13,645,647	727,120
LIABILITIES		
Payable to MCB Investment Management Limited - Management Company	6 22,155	1,291
Payable to Central Depository Company of Pakistan Limited - Trustee	7 544	34
Payable to the Securities and Exchange Commission of Pakistan (SECP)	8 655	132
Payable against purchase of investments	1,677,045	-
Dividend payable	2	2
Accrued expenses and other liabilities	9 49,503	52,041
Total liabilities	1,749,904	53,500
NET ASSETS	11,895,743	673,620
Unit holders' fund (as per statement attached)	11,895,743	673,620
Contingencies and commitments	10	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	198,566,008	12,515,525
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	59.91	53.82

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

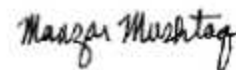
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
(Rupees in '000)					
INCOME					
Income from government securities		412,641	42,085	308,489	25,370
Capital gain / (loss) on sale of investments - net		1,371	6,965	21,911	1,563
Profit on bank deposits		63,923	12,706	41,602	4,188
Net unrealised appreciation / (diminution) in fair value of investments classified as financial assets at fair value through profit or loss	5.4	400	(4,239)	1,757	(2,038)
Total income		478,335	57,517	373,759	29,083
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	6.1	29,570	2,227	26,783	831
Sindh Sales Tax on remuneration of the Management Company	6.2	3,844	291	3,483	110
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	7	1,202	190	892	101
Sindh Sales Tax on remuneration of the Trustee		156	25	116	13
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	8	1,638	69	1,216	37
Allocated expenses	6.3	2,588	467	1,411	275
Selling and marketing expenses	6.4	10,602	1,066	5,553	652
Brokerage and other charges		2,248	758	2,077	482
Legal and professional charges		91	82	(454)	(114)
Auditors' remuneration		342	341	122	189
Total expenses		52,281	5,516	41,199	2,576
Net income for the period before taxation		426,054	52,001	332,560	26,507
Taxation	11	-	-	-	-
Net income for the period after taxation		426,054	52,001	332,560	26,507
Allocation of net income for the period					
Net income for the period after taxation		426,054	52,001		
Income already paid on units redeemed		(177,762)	(7,834)		
		<u>248,292</u>	<u>44,167</u>		
Accounting income available for distribution:					
Relating to capital gains		-	46		
Excluding capital gains		248,292	44,121		
		<u>248,292</u>	<u>44,167</u>		
Earnings per unit	12				

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

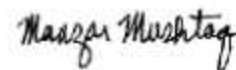
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	426,054	52,001	332,560	26,507
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>426,054</u>	<u>52,001</u>	<u>332,560</u>	<u>26,507</u>

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

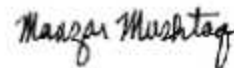
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,375,200	(701,580)	673,620	1,316,281	(705,910)	610,371
Issuance of 362,103,539 units (2022: 17,402,733 units):						
- Capital value (at net asset value per unit at the beginning of the period)	19,488,412	-	19,488,412	930,319	-	930,319
- Element of income	1,541,308	-	1,541,308	31,737	-	31,737
	21,029,720	-	21,029,720	962,056	-	962,056
Redemption of 176,053,056 units (2022: 17,186,035 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(9,475,175)	-	(9,475,175)	(918,735)	-	(918,735)
- Element of income	(580,714)	(177,762)	(758,476)	(28,909)	(7,834)	(36,743)
	(10,055,889)	(177,762)	(10,233,651)	(947,644)	(7,834)	(955,478)
Total comprehensive income for the period	-	426,054	426,054	-	52,001	52,001
Net assets as at the end of the period	<u>12,349,031</u>	<u>(453,288)</u>	<u>11,895,743</u>	<u>1,330,693</u>	<u>(661,743)</u>	<u>668,950</u>
Accumulated loss brought forward						
- Realised		(688,112)			(704,872)	
- Unrealised		(13,468)			(1,038)	
		<u>(701,580)</u>			<u>(705,910)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			46	
- Excluding capital gains		248,292			44,121	
		<u>248,292</u>			<u>44,167</u>	
Accumulated loss carried forward		<u>(453,288)</u>			<u>(661,743)</u>	
Accumulated loss carried forward						
- Realised		(453,688)			(657,504)	
- Unrealised		400			(4,239)	
		<u>(453,288)</u>			<u>(661,743)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>53.82</u>			<u>53.46</u>	
Net assets value per unit at end of the period		<u>59.91</u>			<u>57.50</u>	

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

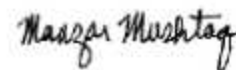
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	Half year ended December 31,	
		2023	2022
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		426,054	52,001
Adjustments for non cash and other items:			
Net unrealised (appreciation) / diminution in fair value of investments classified as financial assets at fair value through profit or loss	5.4	(400)	4,239
		425,654	56,240
Increase in assets			
Investments		(10,328,388)	(199,531)
Profit receivable		(201,034)	(2,046)
Advances, prepayments and other receivables		(1,240)	(325)
		(10,530,662)	(201,902)
Increase / (decrease) in liabilities			
Payable to MCB Investment Management Limited - Management Company		20,864	(99)
Payable to Central Depository Company of Pakistan Limited - Trustee		510	4
Payable to the Securities and Exchange Commission of Pakistan (SECP)		523	(70)
Payable against purchase of investments		1,677,045	(483,428)
Accrued expenses and other liabilities		(2,538)	(1,154)
		1,696,404	(484,747)
Net cash used in operating activities		(8,408,604)	(630,409)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		21,029,720	962,056
Payments against redemption of units		(10,233,651)	(955,478)
Net cash generated from financing activities		10,796,069	6,578
Net increase / (decrease) in cash and cash equivalents during the period		2,387,465	(623,831)
Cash and cash equivalents at beginning of the period		192,195	637,844
Cash and cash equivalents at end of the period	14	2,579,660	14,013

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

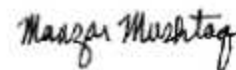
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Sovereign Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited (now: MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated December 20, 2002 consequent to which Trust Deed was executed on January 07, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.2 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 Management Company and AHCL no longer holds any shares in the Management Company. Consequently, members of the Management Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Management Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Management Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.
- 1.3 The 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 certificate of registration issued by SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The Fund is an open ended mutual Fund and is listed on the Pakistan Stock Exchange Limited. MCB Pakistan Sovereign Fund has a policy of investing in Pakistani rupee denominated debt securities issued by the Government of Pakistan, reverse repurchase transaction in government securities and any otherwise un-invested funds in deposits with banks and financial institutions. In addition, the Fund can also invest in sub-scheme of the Fund. The units of the Funds are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering to the Fund. The Fund has been categorised as 'Income scheme' by the Board of Directors of Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 06, 2023 (June 30, 2023: 'AM1' dated October 6, 2022) to the Management Company and has maintained the stability rating of the Fund at AA-(f) on September 8, 2023 (June 30, 2023: AA-(f) dated September 9, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', 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 HALF YEAR ENDED DECEMBER 31, 2023

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34 'Interim Financial Reporting', the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited, based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

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.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2023.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2023.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
4 BANK BALANCES			
In savings accounts	4.1	2,579,645	190,089
In current accounts	4.2	15	2,106
		<u>2,579,660</u>	<u>192,195</u>

4.1 These carry profit at the rates ranging between 20.45% to 22.00% (June 30, 2023: 12.25% to 21.50%) per annum and include Rs. 15.894 million (June 30, 2023: Rs. 0.665 million) maintained with MCB Bank Limited, connected person / related party, which carries profit at the rate of 20.50% (June 30, 2023: 19.50%) per annum.

4.2 This include Rs. 0.008 million (June 30, 2023: Rs 2.09 million) maintained with MCB Bank Limited (a related party).

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
5 INVESTMENTS			
At fair value through profit or loss			
Government securities			
Pakistan Investment Bonds	5.1	1,936,198	306,784
Market Treasury Bills	5.2	6,002,575	205,159
GoP Ijara Sukuks	5.3	2,901,958	-
		<u>10,840,731</u>	<u>511,943</u>

5.1 Pakistan Investment Bonds - at fair value through profit or loss

Name of security	Issue date	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets	Total investment
Pakistan Investment Bond - 02 years	April 6, 2023	-	500,000	500,000	-	-	-	-	-	-
Pakistan Investment Bond - 03 years	July 4, 2023	-	4,200,000	2,850,000	1,350,000	1,221,885	1,209,022	(12,863)	10.16	11.15
Pakistan Investment Bond - 03 years	September 21, 2023	-	850,000	850,000	-	-	-	-	-	-
Pakistan Investment Bond - 05 years	May 6, 2021	125,000	-	125,000	-	-	-	-	-	-
Pakistan Investment Bond - 05 years	October 13, 2022	-	100,000	-	100,000	84,817	84,272	(545)	0.71	0.78
Pakistan Investment Bond - 05 years	August 10, 2023	-	325,000	325,000	-	-	-	-	-	-
Pakistan Investment Bond - 05 years	September 21, 2023	-	2,860,000	2,640,000	220,000	214,065	213,774	(291)	1.80	1.97
Pakistan Investment Bond - 05 years	October 19, 2023	-	6,250,000	6,250,000	-	-	-	-	-	-
Pakistan Investment Bonds - 10 years	July 25, 2019	100,000	-	-	100,000	95,608	98,450	2,842	0.83	0.91
Pakistan Investment Bonds - 10 years	August 22, 2019	90,000	-	-	90,000	86,191	88,533	2,342	0.74	0.82
Pakistan Investment Bonds - 10 years	November 4, 2021	-	550,000	300,000	250,000	236,877	236,900	23	1.99	2.19
Pakistan Investment Bond - 20 years	June 10, 2004	5,500	-	-	5,500	5,231	5,247	16	0.04	0.05
As at December 31, 2023					<u>1,944,674</u>	<u>1,936,198</u>	<u>(8,476)</u>			
As at June 30, 2023					<u>318,398</u>	<u>306,784</u>	<u>(11,614)</u>			

* These will mature latest by July 3, 2027 and carry effective yield rates ranging from 16.00% till 25.74% per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

5.2 Market Treasury Bills - at fair value through profit or loss

Name of security	Issue date	Face value				As at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealized diminution	Net assets	Total investment
(Rupees in '000)										
Market Treasury Bills										
- 03 months	April 20, 2023	-	250,000	250,000	-	-	-	-	-	-
- 03 months	May 18, 2023	-	600,000	600,000	-	-	-	-	-	-
- 03 months	June 15, 2023	-	1,950,000	1,950,000	-	-	-	-	-	-
- 03 months	June 22, 2023	-	5,300,000	5,300,000	-	-	-	-	-	-
- 03 months	July 13, 2023	-	500,000	500,000	-	-	-	-	-	-
- 03 months	August 10, 2023	-	700,000	700,000	-	-	-	-	-	-
- 03 months	August 24, 2023	-	500,000	500,000	-	-	-	-	-	-
- 03 months	September 7, 2023	-	2,000,000	2,000,000	-	-	-	-	-	-
- 03 months	September 21, 2023	-	765,000	765,000	-	-	-	-	-	-
- 03 months	October 5, 2023	-	1,075,000	1,075,000	-	-	-	-	-	-
- 03 months	October 19, 2023	-	500,000	500,000	-	-	-	-	-	-
- 03 months	November 2, 2023	-	4,500,000	4,500,000	-	-	-	-	-	-
- 03 months	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
- 03 months	November 30, 2023	-	500,000	500,000	-	-	-	-	-	-
- 03 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills										
- 06 months	March 27, 2023	-	1,000,000	1,000,000	-	-	-	-	-	-
- 06 months	October 19, 2023	-	1,200,000	1,200,000	-	-	-	-	-	-
- 06 months	November 2, 2023	-	500,000	500,000	-	-	-	-	-	-
- 06 months	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
- 06 months	November 30, 2023	-	1,000,000	1,000,000	-	-	-	-	-	-
- 06 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills										
- 12 months	June 15, 2023	250,000	-	250,000	-	-	-	-	-	-
- 12 months	July 13, 2023	-	500,000	500,000	-	-	-	-	-	-
- 12 months	October 19, 2023	-	1,493,900	500,000	993,900	854,348	849,838	(4,510)	7.14	7.84
- 12 months	November 2, 2023	-	5,625,000	3,000,000	2,625,000	2,233,089	2,229,386	(3,703)	18.74	20.56
- 12 months	November 16, 2023	-	500,000	-	500,000	423,075	421,645	(1,430)	3.54	3.89
- 12 months	November 30, 2023	-	3,800,000	1,800,000	2,000,000	1,679,123	1,675,060	(4,063)	14.08	15.45
- 12 months	December 14, 2023	-	2,000,000	2,000,000	-	-	-	-	-	-
- 12 months	December 28, 2023	-	1,500,000	500,000	1,000,000	827,192	826,646	(546)	6.95	7.63
As at December 31, 2023					6,016,827	6,002,575	(14,252)			
As at June 30, 2023					207,013	205,159	(1,854)			

* These will mature latest by October 18, 2024 and carry effective yield rates ranging from 20.88% till 21.63% per annum.

5.3 GoP Ijara Sukuks - at fair value through profit or loss

Name of security	Issue date	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets	Total investment
(Rupees in '000)										
GoP Ijara Sukuk										
- 01 year	April 17, 2023	-	1,000,000	250,000	750,000	757,659	754,425	(3,234)	6.34	6.96
- 01 year	August 7, 2023	-	969,000	969,000	-	-	-	-	-	-
- 01 year	September 20, 2023	-	225,000	-	225,000	224,982	225,000	18	1.89	2.08
- 01 year	October 9, 2023	-	435,000	435,000	-	-	-	-	-	-
- 01 year	December 4, 2023	-	150,000	-	150,000	150,177	150,750	573	1.27	1.39
GoP Ijara Sukuk										
- 03 years	June 26, 2023	-	600,000	-	600,000	594,265	618,480	24,215	5.20	5.71
- 03 years	December 4, 2023	-	225,000	-	225,000	225,142	225,788	646	1.90	2.08
- 03 years	December 4, 2023	-	200,000	-	200,000	200,246	200,240	(6)	1.68	1.85
GoP Ijara Sukuk										
- 05 years	December 4, 2023	-	475,000	-	475,000	475,988	477,375	1,387	4.01	4.40
- 05 years	December 4, 2023	-	250,000	-	250,000	250,371	249,900	(471)	2.10	2.31
As at December 31, 2023					2,878,830	2,901,958	23,128			
As at June 30, 2023					-	-	-			

* These will mature latest by April 16, 2024 carrying effective yield rates ranging from 15.60% till 22.79% per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

5.4	Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	Note	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
			----- (Rupees in '000) -----	
	Market value of investments	5.1, 5.2 & 5.3	10,840,731	668,945
	Less: Carrying value of investments	5.1, 5.2 & 5.3	<u>(10,840,331)</u>	<u>(673,184)</u>
			<u>400</u>	<u>(4,239)</u>
6	PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
			----- (Rupees in '000) -----	
	Management remuneration payable	6.1	13,587	280
	Sindh Sales Tax on management remuneration payable	6.2	1,766	37
	Sales load payable		377	22
	Payable against allocated expenses	6.3	872	80
	Payable against selling and marketing expenses	6.4	<u>5,553</u>	<u>872</u>
			<u>22,155</u>	<u>1,291</u>

6.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 0.5% to 10% (December 31, 2022: 0.5% to 10%) per annum of the gross earnings of the scheme calculated on a daily basis of the Fund during the period ended December 31, 2023. The remuneration is payable to the Management Company monthly in arrears.

6.2 Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2023: 13%)

6.3 In accordance with NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds), upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

The Management Company has charged selling and marketing expenses to the fund based on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. As per the tariff specified therein, based on the daily net assets at the rate of 0.055% per annum of the net assets of the Fund. (June 30, 2023: 0.065%).

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

8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.075% of net assets, applicable on "income scheme". Accordingly, the Fund has charged SECP Fee at the rate of 0.075% of net assets during the current period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			December 31, 2023	June 30, 2023
			----- (Rupees in '000) -----	
	Provision for Federal Excise Duty and related tax on	9.1		
	- Management remuneration		29,028	29,028
	- Sales load		4,170	4,170
	Withholding tax payable		11,791	509
	Auditors' remuneration payable		390	494
	Brokerage payable		737	15
	Payable to legal advisor		211	205
	Other payables		3,176	17,620
			<u>49,503</u>	<u>52,041</u>

9.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company, sales load and related taxes with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 33.2 million (June 30, 2023: Rs. 33.2 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2023 would have been higher by Re 0.17 per unit (June 30, 2023: Rs. 2.65 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023. Moreover, the contingency in respect of taxation related matter disclosed in the annual financial statements of the Fund for the year ended June 30, 2023 has been detailed in the favor of the Fund. Hence, there is no outstanding contingency as at December 31, 2023.

11 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 the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11(A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

12 EARNINGS PER UNIT

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.38% (December 31, 2022: 1.58%) which includes 0.26% (December 31, 2022: 0.11%) representing Government Levy and SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2022: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'Income scheme'.

	Note	December 31, 2023	December 31, 2022
		(Un-audited)	
		----- (Rupees in '000) -----	
14 CASH AND CASH EQUIVALENTS			
Bank balances	4	<u>2,579,660</u>	<u>14,013</u>

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being 100% subsidiary of the Holding Company), the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

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

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

	December 31, 2023	December 31, 2022
	(Unaudited)	
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Remuneration of the Management Company including indirect taxes	33,414	2,518
Allocated expenses	2,588	467
Selling and marketing expenses	10,602	1,066
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	1,358	215
Group / associated companies:		
MCB Bank Limited		
Profit on bank deposits	389	50
Bank charges	7	4
Sale of securities - Face value Rs. 1,533 million (2022: Rs. 250 million)	1,270,071	250,000

15.2 Amount outstanding as at period end / year end

	December 31, 2023	June 30, 2023
	(Unaudited) (Audited)	
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Management remuneration payable	13,587	280
Sindh Sales Tax on management remuneration payable	1,766	37
Payable against allocated expenses	872	80
Payable against selling and marketing expenses	5,553	872
Sales load payable	377	22

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	481	30
Sindh Sales Tax payable on trustee remuneration	63	4
Group / associated companies:		
MCB Bank Limited		
Bank balances	15,894	2,755

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

	For the half year ended December 31, 2023							
	As at July 1, 2023	Issued for cash	Redeemed	As at December 31, 2023	As at July 1, 2023	Issued for cash	Redeemed	As at December 31, 2023
	Units				(Rupees in '000)			
Associated companies / undertakings								
D.G.Khan Cement Company Limited *	8	-	-	8	-	-	-	-
MCB Investment Management Limited	-	24,807,991	23,875,249	932,742	-	1,433,721	1,389,829	55,881
Adamjee Insurance Company Limited Employees Gratuity Fund	-	913,910	913,910	-	-	50,000	50,393	-
Adamjee Life Assurance Company Limited - DSF	-	117,568	-	117,568	-	7,000	-	7,043
Adamjee Life Assurance Company Limited Managed Growth Fund	-	16,795	-	16,795	-	1,000	-	1,006
Adamjee Life Assurance Company Limited Conventional Business	-	7,509,414	7,509,414	-	-	443,206	444,707	-
MCB Employees Provident Fund (Pak Staff)	-	13,366,750	-	13,366,750	-	800,000	-	800,802
Mandate under discretionary portfolio services	-	15,640,367	7,627,766	8,012,601	-	903,229	446,122	480,035
Key management personnel	-	6,598,742	1,435,875	5,162,867	-	390,871	83,841	309,307
Unitholders holding 10% or more	3,825,944	-	3,825,944	-	205,912	-	205,912	-

	For the half year ended December 31, 2022							
	As at July 1, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 1, 2022	Issued for cash	Redeemed	As at December 31, 2022
	Units				(Rupees in '000)			
Associated companies / undertakings								
D.G.Khan Cement Company Limited *	8	-	-	8	-	-	-	-
MCB Investment Management Limited	-	9,307,195	9,307,195	-	-	510,359	514,770	-
Adamjee Insurance Company Limited Employees Gratuity Fund	-	313,845	313,845	-	-	17,500	17,588	-
Adamjee Insurance Company Limited Employees Provident Fund	-	627,690	627,690	-	-	35,000	35,176	-
Mandate under discretionary portfolio services	75,002	1,853,846	1,928,848	-	4,010	103,370	103,890	-
Key management personnel *	1	896,239	896,237	3	-	50,296	50,370	-
Unitholders holding 10% or more	3,423,889	-	-	3,423,889	183,041	-	-	196,874

* Nil figures due to rounding off

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 tradeable in an open market are revalued at 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

16.1 Fair value hierarchy

International Financial Reporting Standard IFRS 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 assets or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund held the following financial instruments measured at fair values:

----- Unaudited -----			
----- December 31, 2023 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Financial assets measured at fair value			
Pakistan Investment Bonds	-	1,936,198	-
Market Treasury Bills	-	6,002,575	-
GoP Ijara Sukuks	-	2,901,958	-
	-	<u>10,840,731</u>	-
			<u>10,840,731</u>

----- Audited -----			
----- June 30, 2023 -----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Financial assets measured at fair value			
Pakistan Investment Bonds	-	306,784	-
Market Treasury Bills	-	205,159	-
	-	<u>511,943</u>	-
			<u>511,943</u>

During the period ended December 31, 2023 and year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

17 GENERAL

17.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 02, 2024.

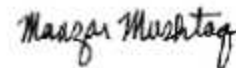
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT 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