



MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2023**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **MCB CASH MANAGEMENT OPTIMIZER**

## TABLE OF CONTENTS

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1	Fund's Information	126
2	Report of the Directors of the Management Company	127
3	Trustee Report to the Unit Holders	136
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	137
5	Condensed Interim Statement of Assets And Liabilities	138
6	Condensed Interim Income Statement (Un-audited)	139
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	140
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	141
9	Condensed Interim Cash Flow Statement ( Un-audited)	142
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	143

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan	Zarai Taraqiat Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited
<b>Auditors</b>	<b>M. Yousuf Adil Saleem &amp; Co.</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> 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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Cash Management Optimizer** accounts review for 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

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### FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 21.40% as against its benchmark return of 21.43%, a difference of 0.03%. WAM of the fund was 28 days at December end.

The fund was 21.2% in T-Bills as of December end. The Net Assets of the Fund as at December 31, 2023 decreased by 49.47% to Rs. 29,386 million as compared to Rs. 58,153 million as at June 30, 2023.

The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 101.9027 as compared to opening NAV of Rs. 101.6881 per unit as at June 30, 2023 registering an increase of Rs. 0.2146 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

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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**

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**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,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
February 02, 2024



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**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 سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

اظہار تشکر

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

منجانب ڈائریکٹرز

Manzar 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 cap کا 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 کے 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 فنڈز 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 تا حال 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 REER 95 ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.8 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 پالترتیب 2.3 فیصد اور 0.1 فیصد ترقی ہوئی جبکہ صنعت کے شعبے میں 3.8 فیصد گراوٹ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمداتی پابندیاں صنعتی پیداوار میں کمی کے سب سے بڑے عوامل تھے۔ 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 پالترتیب 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 ششماہی 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 21.40 فیصد تھا، جو اس کے مقررہ معیار 21.43 فیصد کے مقابلے میں 0.03 فیصد کم ہے۔ دسمبر کے اختتام پر فنڈ کی پالوزن اوسط میچورٹی (WAM) 28 دن تھی۔ دسمبر کے اختتام پر فنڈ کی سرمایہ کاری ٹریژری بلنز (ٹی - بلنز) میں 21.2 فیصد تھی۔ 31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 49.47 فیصد کم ہو کر 29,386 ملین روپے ہو گئے تھے، بالمقابل 30 جون 2023ء کو 58,153 ملین روپے کے۔ 31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) نی یونٹ 101.9027 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 101.6881 روپے نی یونٹ کے مقابلے میں 0.2146 روپے نی 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 ششماہی 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 کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس برائے ششماہی مُختصمہ 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 بائے 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 انٹربینک شرح کے فرق میں کمی ہوئی۔ اس کے نتیجے میں ترسیلات زر اور 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 ملکہ کارنٹ 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 ملکہ کی خارجی صورتحال بہتر ہو گئی۔ یہ آئی ایم ایف، دوست ممالک اور کثیرالجہتی ذرائع سے آمدات کی بدولت ممکن ہوا۔

ہیڈ لائن مہنگائی، جس کی ترجمانی صارفین کی 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 Shakra-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 CASH MANAGEMENT OPTIMIZER

#### 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 Cash Management Optimizer (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



Yousuf Adil  
Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahraf-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
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www.yousufadil.com

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of MCB Cash Management Optimizer

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Cash Management Optimizer** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, the condensed interim statement of other comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year then ended. The Board of MCB Investment Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with 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 information 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 information as at and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the condensed interim income statement and the condensed interim statement of other comprehensive income for the quarters ended December 31, 2023 have not been reviewed, as we are only required to review the cumulative figures for the half year ended December 31, 2023.

The condensed interim financial information for the half year ended December 31, 2022 and the annual financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose review report dated February 22, 2023 and audit report dated September 22, 2023, expressed an unmodified opinion respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is **Hena Sadiq**.

  
Chartered Accountants

Place: Karachi

Date: February 21, 2024

UDIN: RR202310057nI4PxYC29

Independent Chartered Accountant Firm in  
Benalla Yousuf Khatib & Co. Limited

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Balances with banks	21,415,872	17,447,467
Investments	7,782,646	58,664,000
Advances, deposits, prepayments and other receivables	377,745	392,919
<b>Total assets</b>	<b>29,576,263</b>	<b>76,504,386</b>
<b>LIABILITIES</b>		
Payable to the MCB Investment Management Limited - Management Company	50,720	102,470
Payable to Central Depository Company of Pakistan Limited - Trustee	1,477	2,965
Payable to the Securities and Exchange Commission of Pakistan	1,782	11,673
Payable against purchase of investments	-	18,144,541
Accrued expenses and other liabilities	136,195	89,306
<b>Total liabilities</b>	<b>190,174</b>	<b>18,350,955</b>
<b>NET ASSETS</b>	<b>29,386,089</b>	<b>58,153,431</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>29,386,089</b>	<b>58,153,431</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9 ----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>288,373,867</b>	<b>571,880,450</b>
	----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>101.9027</b>	<b>101.6881</b>

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

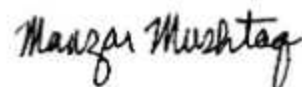
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
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)					
<b>INCOME</b>					
Capital gain on sale of investments - net		127,773	87,571	39,798	12,485
Profit on term deposits		140,293	211,743	39,690	112,814
Profit on bank deposits		763,169	2,015,065	312,241	900,650
Income from government securities		3,746,080	1,595,442	1,624,773	1,000,011
Income on letter of placement		99,593	205,044	-	200,464
Unrealised (loss) / gain in fair value of investments classified as at fair value through profit or loss' - net	5.5	(2,982)	34,781	718	34,781
<b>Total income</b>		<b>4,873,926</b>	<b>4,149,646</b>	<b>2,017,220</b>	<b>2,261,205</b>
<b>EXPENSES</b>					
Remuneration of MCB Investment Management Limited - Management Company	6.1	157,004	119,142	66,912	71,885
Sindh sales tax on remuneration of the Management Company	6.2	20,411	15,489	8,699	9,345
Allocated expenses	6.3	14,625	8,203	14,625	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		12,177	14,581	5,083	7,865
Sindh sales tax on remuneration of Trustee		1,583	1,896	661	1,023
Selling and marketing expenses	6.4	95,973	55,945	29,812	24,576
Annual fee to the Securities and Exchange Commission of Pakistan		16,606	5,303	6,933	2,860
Legal and professional charges		91	81	13	20
Brokerage expenses		4,866	3,222	1,907	2,159
Auditor's remuneration		772	656	463	385
Other expenses		1,537	1,353	602	750
<b>Total operating expenses</b>		<b>325,645</b>	<b>225,871</b>	<b>135,710</b>	<b>120,868</b>
<b>Net income from operating activities</b>		<b>4,548,281</b>	<b>3,923,775</b>	<b>1,881,510</b>	<b>2,140,337</b>
<b>Net income for the period before taxation</b>		<b>4,548,281</b>	<b>3,923,775</b>	<b>1,881,510</b>	<b>2,140,337</b>
Taxation	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>4,548,281</b>	<b>3,923,775</b>	<b>1,881,510</b>	<b>2,140,337</b>
<b>Allocation of net income for the period:</b>					
Net income for the period		4,548,281	3,923,775		
Income already paid on units redeemed		(1,272,707)	(862,314)		
		<b>3,275,574</b>	<b>3,061,461</b>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		102,283	96,710		
- Excluding capital gains		3,173,291	2,964,751		
		<b>3,275,574</b>	<b>3,061,461</b>		
<b>Earnings per unit</b>	12				

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

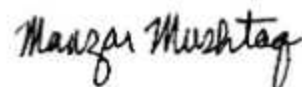
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended December 31		Half year ended December 31	
	2023	2022	2023	2022
	------(Rupees in '000)-----			
<b>Net income for the period after taxation</b>	<b>4,548,281</b>	3,923,775	<b>1,881,510</b>	2,140,337
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>4,548,281</b>	3,923,775	<b>1,881,510</b>	2,140,337

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

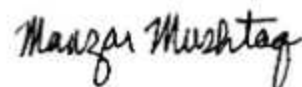
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	For half year ended December 31,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	57,591,208	562,223	58,153,431	63,779,942	373,226	64,153,168
Issue of 1,019,372,926 units (2022: 1,347,537,300 units)						
- Capital value (at net asset value per unit at the beginning of the period)	103,658,096	-	103,658,096	136,566,707	-	136,566,707
- Element of income	1,163,007	-	1,163,007	884,139	-	884,139
	104,821,103	-	104,821,103	137,450,846	-	137,450,846
Redemption of 1,302,879,509 units (2022: 1,237,618,808 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(132,487,342)	-	(132,487,342)	(125,426,973)	-	(125,426,973)
- Element of loss - net	(130,365)	(1,272,707)	(1,403,072)	(92,569)	(862,314)	(954,883)
	(132,617,707)	(1,272,707)	(133,890,414)	(125,519,542)	(862,314)	(126,381,856)
Total comprehensive income for the period	-	4,548,281	4,548,281	-	3,923,775	3,923,775
Interim distribution during the period (including additional units)	(1,032,307)	(3,214,005)	(4,246,312)	(783,694)	(2,878,966)	(3,662,660)
	(1,032,307)	1,334,276	301,969	(783,694)	1,044,809	261,115
<b>Net assets at the end of the period</b>	<b>28,762,297</b>	<b>623,792</b>	<b>29,386,089</b>	<b>74,927,552</b>	<b>555,721</b>	<b>75,483,273</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised income		655,050			373,226	
- Unrealised income		(92,827)			-	
		562,223			373,226	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		102,283			96,710	
- Excluding capital gains		3,173,291			2,964,751	
		3,275,574			3,061,461	
Cash distribution during the period		(3,214,005)			(2,878,966)	
<b>Undistributed income carried forward</b>		<b>623,792</b>			<b>555,721</b>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised income		626,774			520,940	
- Unrealised income		(2,982)			34,781	
		623,792			555,721	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period	101.6881			101.3454		
Net asset value per unit at the end of the period	101.9027			101.6016		

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

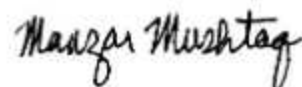
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	For the half yearly ended December 31,	
		2023	2022
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		4,548,281	3,923,775
<b>Adjustments for non cash and other items:</b>			
Unrealised loss / (gain) in fair value of investments classified as at fair value through profit or loss' - net	5.5	2,982	(34,781)
		4,551,263	3,888,994
<b>Decrease / (Increase) in assets</b>			
Investments - net		(2,209,465)	3,055,343
Advances, deposits, prepayments and other receivables		15,174	196,012
		(2,194,291)	3,251,355
<b>(Decrease)/ Increase in liabilities</b>			
Payable to MCB Investment Management Limited - Management Company		(51,750)	24,039
Payable to Central Depository Company of Pakistan Limited - Trustee		(1,488)	100
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(9,891)	(1,715)
Payable against purchase of investments		(18,144,541)	-
Accrued expenses and other liabilities		46,889	1,735
		(18,160,781)	24,159
<b>Net cash generated from operating activities</b>		(15,803,809)	7,164,508
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issuance of units (excluding additional units)		103,788,796	136,667,152
Payments on redemption of units		(133,890,414)	(126,381,856)
Distributions made during the period		(3,214,005)	(2,878,966)
<b>Net cash generated from financing activities</b>		(33,315,623)	7,406,330
<b>Net increase in cash and cash equivalents</b>		(49,119,432)	14,570,838
Cash and cash equivalents at the beginning of the period		72,035,304	58,423,943
<b>Cash and cash equivalents at the end of the period</b>	11	22,915,872	72,994,781

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

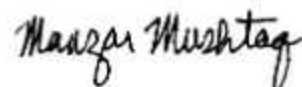
For MCB Investment Management Limited  
(Management Company)



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 Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the fund 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 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 07, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.
- 1.3 The 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 SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.4 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.5 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2023 (2022: 'AM1' dated October 6, 2022) to the Management Company and "AA+(f)" as stability rating dated September 8, 2023 (2022: 'AA+(f)' dated September 9, 2022) to the Fund.
- 1.7 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

This condensed interim financial information 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 VIIIA of the repealed Companies Ordinance, 1984; and
- 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.

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

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 requirements of the Trust Deed differ from the IAS 34, 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 this condensed interim financial information are limited, based on the requirements of the IAS 34. This condensed interim financial information 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.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.

This condensed interim financial information is presented in Pakistan Rupees which is the Fund's functional and presentation currency and rounded to the nearest thousand rupees, unless otherwise specified.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund as at and for the year ended June 30, 2023.
- 3.2 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended June 30, 2023.
- 3.3 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.

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note	(Rupees in '000)	
<b>4 BALANCES WITH BANKS</b>		
In current accounts	10,317	2,145
In saving accounts	4.1 21,405,555	17,445,322
	4.2 21,415,872	17,447,467

- 4.1 These carry profit at the rates ranging between 20.50% to 23.50% (June 30, 2023: 12.25% to 21.80%) per annum and include Rs 93.426 million (June 30, 2023: Rs 0.072 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 20.50% (June 30, 2023: nil) per annum.

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

December 31, 2023 (Un-audited)      June 30, 2023 (Audited)  
Note .....(Rupees in '000).....

**5 INVESTMENTS**

**Financial assets 'at fair value through profit or loss' - net**

Term Deposit Receipts	5.1	1,500,000	-
Letter of placements	5.2	-	-
Government securities - Market Treasury Bills	5.3	6,282,646	58,664,000
Government securities - Pakistan Investment bonds - Floating Rate Bonds	5.4	-	-
		<u>7,782,646</u>	<u>58,664,000</u>

**5.1 Term deposit receipt**

Name of Investee Company	Issue Date	Face value			As at December 31, 2023		Market value as a percentage of net assets of the fund	Market value as a percentage of total Investments
		As at July 01, 2023	Purchased during the Period	Matured during the Period	As at December 31, 2023	Market value		
Bank Afzalsh Limited	August 28, 2023	-	4,800,000	4,800,000	-	-	-	-
Bank Afzalsh Limited	November 21, 2023	-	1,500,000	-	1,500,000	1,500,000	0.05	0.19
<b>Total as at December 31, 2023</b>					<u>1,500,000</u>	<u>1,500,000</u>		
Total as at June 30, 2023					-	-		

5.1.1 These carry profit at rate of 21.80% per annum (June 30, 2023: 0.00%) and are due to mature latest by January 2, 2024.

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

**5.2 Letter of Placements**

Name of Investee Company	Issue Date	Face value			As at December 31, 2023		Market value as a percentage of net assets of the fund	Market value as a percentage of total investments
		As at July 01, 2023	Purchases during the period	Matured during the period	As at December 31, 2023	Carrying value		
Pak Oman Investment Company Limited	July 5, 2023	-	500,000	500,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	July 6, 2023	-	4,900,000	4,900,000	-	-	-	-
Pak Oman Investment Company Limited	July 7, 2023	-	715,000	715,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	July 7, 2023	-	2,350,000	2,350,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	August 4, 2023	-	4,800,000	4,800,000	-	-	-	-
Pak Oman Investment Company Limited	August 24, 2023	-	715,000	715,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	August 24, 2023	-	4,850,000	4,850,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	September 1, 2023	-	1,200,000	1,200,000	-	-	-	-
Zarai Tanjiaati Bank Limited	September 7, 2023	-	4,950,000	4,950,000	-	-	-	-
Pak Brunei Investment Company Limited	September 7, 2023	-	925,000	925,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	September 8, 2023	-	4,900,000	4,900,000	-	-	-	-
Pak Brunei Investment Company Limited	September 13, 2023	-	925,000	925,000	-	-	-	-
Pak Kuwait Investment Company (Private) Limited	September 15, 2023	-	5,000,000	5,000,000	-	-	-	-
<b>Total as at December 31, 2023</b>								
Total as at June 30, 2023								



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

**5.3 Government securities - Market Treasury Bills**

Name of Security	Issue Date	Face value			As at 31 December, 2023			Market value as a percentage of net assets of the fund	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value		
<b>Market Treasury Bills</b>									
Treasury bills - 3 months	April 20, 2023	-	3,500,000	-	-	-	-	-	-
Treasury bills - 3 months	May 4, 2023	-	19,550,480	-	-	-	-	-	-
Treasury bills - 3 months	May 18, 2023	-	12,000,000	-	-	-	-	-	-
Treasury bills - 3 months	June 1, 2023	-	27,300,000	-	-	-	-	-	-
Treasury bills - 3 months	June 15, 2023	38,000,000	43,800,000	-	-	-	-	-	-
Treasury bills - 3 months	June 22, 2023	19,000,000	88,200,000	-	-	-	-	-	-
Treasury bills - 3 months	July 13, 2023	-	13,975,000	-	-	-	-	-	-
Treasury bills - 3 months	July 25, 2023	-	6,000,000	-	-	-	-	-	-
Treasury bills - 3 months	August 10, 2023	-	43,200,000	-	-	-	-	-	-
Treasury bills - 3 months	August 24, 2023	-	14,350,000	-	-	-	-	-	-
Treasury bills - 3 months	September 7, 2023	-	42,300,000	-	-	-	-	-	-
Treasury bills - 3 months	September 21, 2023	-	40,050,000	-	-	-	-	-	-
Treasury bills - 3 months	October 5, 2023	-	20,100,000	-	-	-	-	-	-
Treasury bills - 3 months	October 19, 2023	-	3,692,000	-	-	-	-	-	-
Treasury bills - 3 months	November 2, 2023	-	8,503,700	-	-	-	-	-	-
Treasury bills - 3 months	November 15, 2023	-	2,500,000	-	-	-	-	-	-
Treasury bills - 3 months	November 30, 2023	-	15,000,000	-	-	-	-	-	-
Treasury bills - 3 months	December 14, 2023	-	500,000	-	-	-	-	-	-
Treasury bills - 3 months	December 28, 2023	-	500,000	-	-	-	-	-	-
Treasury bills - 6 months	March 27, 2023	-	23,700,000	-	-	-	-	-	-
Treasury bills - 6 months	June 15, 2023	4,500,000	-	-	-	-	-	-	-
Treasury bills - 6 months*	September 7, 2023	-	500,000	-	500,000	481,819	481,433	(388)	1.84
Treasury bills - 6 months*	October 19, 2023	-	6,000,000	-	3,000,000	2,821,815	2,822,057	442	9.80
Treasury bills - 6 months	November 2, 2023	-	5,000,000	-	-	-	-	-	-
Treasury bills - 6 months	November 16, 2023	-	8,275,000	-	8,275,000	-	-	-	-
Treasury bills - 6 months*	November 30, 2023	-	4,500,000	-	1,000,000	920,609	919,338	(1,271)	3.13
Treasury bills - 6 months*	December 14, 2023	-	4,000,000	-	2,257,500	2,081,585	2,069,818	(1,767)	7.01
Treasury bills - 12 months	August 25, 2022	-	4,400,000	-	-	-	-	-	-
<b>Total as at December 31, 2023</b>					<b>6,285,628</b>	<b>6,282,648</b>	<b>(2,982)</b>		
Total as at June 30, 2023					56,766,827	58,664,000	(92,827)		

5.3.1 \* These will mature latest by June 13, 2024 and carry effective yield with rates ranging from 21.33% to 21.70% per annum.

**5.4 Pakistan investment bonds - Floating Rate Bonds (FRB)**

Particulars	Issue Date	Face value			Balance as at December 31, 2023			Market value as a percentage of net assets of the fund	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold during the period	As at December 31, 2023	Carrying value	Market value		
<b>(Rupees in '000)</b>									
Pakistan Investment Bonds - 2 years	August 26, 2021	-	17,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 2 years	December 30, 2021	-	24,000,000	-	-	-	-	-	-
<b>Total as at December 31, 2023</b>									
Total as at June 30, 2023					-	-	-	-	-

**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 ----- (Rupees in '000) -----	(Audited) June 30, 2023
<b>5.5 Unrealised (loss) / gain in fair value of investments classified as at fair value through profit or loss' - net</b>			
Market value of investments	5.3 & 5.4	7,782,646	58,664,000
Less: carrying value of investments	5.3 & 5.4	7,785,628	58,756,827
		<u>(2,982)</u>	<u>(92,827)</u>
<b>6 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	6.1	16,399	36,271
Sindh sales tax payable on remuneration of the Management Company	6.2	2,133	4,715
Allocated expenses payable	6.3	2,376	-
Selling and marketing expenses payable	6.4	29,812	61,484
		<u>50,720</u>	<u>102,470</u>

**6.1** The Management Company charged management fee at the rate up to 7.5% (June 30, 2023: 7.5%) of the gross earnings of the scheme, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

**6.2** Sindh sales tax on remuneration of the Management Company has been charged at the rate of 13% (June 30, 2023:13%).

**6.3** The Management Company has charged allocated expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

**6.4** The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

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

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

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty payable on:			
- Remuneration of the Management Company	8.1	54,267	54,267
- Sales load	8.1	19	19
Brokerage payable		1,118	2,610
Capital gain tax payable		30,032	24,740
Auditor's remuneration payable		717	845
Printing expense payable		90	40
Other payable		49,941	6,785
Dividend payable		11	-
		<u>136,195</u>	<u>89,306</u>

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

**8.1 Federal Excise Duty (FED) and related tax payable**

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 audited financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2023 would have been higher by Re. 0.1882 per unit (June 30, 2023: Re. 0.0949 per unit).

**9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

**10 TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and 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, therefore, no provision for taxation has been made in this condensed interim financial information 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.

	<b>Note</b>	<b>(Un-audited) December 31, 2023</b>	<b>(Un-audited) December 31, 2022</b>
		<b>————(Rupees in '000)————</b>	
<b>11 CASH AND CASH EQUIVALENTS</b>			
Balances with banks	4	<b>21,415,872</b>	22,645,447
Term deposit receipts	5.1	<b>1,500,000</b>	5,450,000
Letter of placements	5.2	-	4,225,000
		<b>22,915,872</b>	<b>32,320,447</b>

**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 Company, the determination of the same is not practicable.

**13 TOTAL EXPENSE RATIO**

The total annualised expense ratio of the Fund from July 1, 2023 to December 31, 2023 is 1.47% and this includes 0.17% representing government levy, SECP fee etc. The prescribed limit for the ratio is 2% (2022: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

**14 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES**

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially 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.

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

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

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

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

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

	<b>(Un-audited) December 31, 2023</b>	<b>(Un-audited) December 31, 2022</b>
	----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration of the Management Company and related taxes	177,415	134,631
Allocated expenses	14,625	8,203
Selling and marketing expenses	95,973	55,945
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee and related taxes	13,760	16,477
<b>MCB Bank Limited</b>		
Profit on bank deposits	11,844	746
Bank Charges	148	113

**14.2 Balance outstanding as at the period / year end are as follows:**

	<b>(Un-audited) December 31, 2023</b>	<b>(Audited) June 30, 2023</b>
	----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Management fee payable	16,399	36,271
Sales tax payable on remuneration of the Management Company	2,133	4,715
Allocated expenses payable	2,376	-
Selling and marketing expenses payable	29,812	61,484
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	1,307	2,624
Sindh sales tax payable on Trustee remuneration	170	341
<b>MCB Bank Limited</b>		
Bank deposits	93,426	71,811
Profit receivable on bank deposits	-	-

\* The amount disclosed represent the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

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

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

	For half year ended December 31, 2023 (Un-audited)							
	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023
<b>Associated Companies</b>	----- Units ----- (Rupees in '000) -----							
Adamjee Insurance Co.Ltd Employees Provident Fund	5,486	577	-	6,043	556	59	-	616
Adamjee Life Assurance Co. Ltd Managed Growth Fund	1,790	11,387	11,198	1,979	182	1,158	1,157	202
Adamjee Life Assurance Co. Ltd.	416,301	7,769	424,071	(1)	42,333	790	43,123	-
Adamjee Life Assurance Co. Ltd. Conventional Business	4,013,353	272,848	4,286,201	-	408,110	27,745	443,206	-
Adamjee Life Assurance Company Limited-Employees Gratuity Fund	173,616	524,110	490,014	207,712	17,655	53,296	50,000	21,166
D.G. Khan Cement Company Ltd	3	-	-	3	-	0	-	-
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	-	1,035,967	-	1,035,967	-	105,346	-	105,568
Laipir Provident Fund	521,218	54,989	-	576,207	53,002	5,592	-	58,717
Laipir Staff Gratuity Fund Trust	355,707	37,528	-	393,235	36,171	3,816	-	40,072
MCB Financial Services Limited	2,232	199	-	2,431	227	20	-	248
MCB Investment Management Limited	3,624,233	30,224,756	33,848,988	1	368,541	3,063,562	3,483,892	-
Nishat Paper Products Company Limited Staff Provident Fund Trust	68,081	263,570	-	331,651	6,923	26,802	-	33,796
Sayyed Engineers Limited	7,435	663	-	8,098	756	67	-	825
Security General Insurance Co. Ltd. Employees Provident Fund Trust	107,284	11,319	-	118,603	10,910	1,151	-	12,066
<b>Total associated Companies</b>	<b>9,296,719</b>	<b>32,445,682</b>	<b>39,060,472</b>	<b>2,681,929</b>	<b>945,366</b>	<b>3,309,404</b>	<b>4,021,378</b>	<b>273,296</b>
<b>Key management personnel*</b>	<b>53,409,549</b>	<b>38,212,890</b>	<b>90,874,821</b>	<b>747,618</b>	<b>5,431,116</b>	<b>3,889,404</b>	<b>9,270,630</b>	<b>76,184</b>
<b>Mandate Under Discretionary Portfolio Services*</b>	<b>7,280,364</b>	<b>15,443,889</b>	<b>19,698,867</b>	<b>3,025,366</b>	<b>740,326</b>	<b>1,572,663</b>	<b>2,031,674</b>	<b>308,295</b>

\* This reflects the position of related party / connected persons status as at December 31, 2023

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

For half year ended December 31, 2022 (Un-audited)							
As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022
Units							
(Rupees in '000)							
<b>Associated Companies</b>							
Adamjee Insurance Company Limited	1,050,105	3,787,146	1	277,387	106,423	387,615	-
MCB Investment Management Limited	25,231,202	23,224,599	2,006,603	-	2,565,704	2,375,022	203,874
Asghari Beg Memorial Trust	2	-	2	-	-	-	-
Adamjee Life Assurance Company Limited - Conventional Business	3,474,011	217,870	3,691,861	352,075	22,080	-	375,101
Adamjee Life Assurance Company Limited - NUIL Fund	1,523,731	1,485,378	3,009,108	154,423	150,536	305,668	-
Adamjee Life Assurance Company Limited	360,356	22,599	382,955	36,520	2,290	-	38,909
Adamjee Life Assurance Company Limited - IMF	1,305,934	1,319,194	2,625,127	132,350	133,694	288,424	0
MCB Financial Services Limited	18,208	444,092	2,076	1,845	45,066	47,000	211
Adamjee Life Assurance Company Limited - ISF	13,019,718	25,642,208	38,661,926	1,319,489	2,601,827	3,936,656	-
Adamjee Life Assurance Company Limited - ISF II	5,747,868	18,254,965	24,002,873	582,522	1,856,253	2,447,986	-
D.G. Khan Cement Company Limited	3	-	3	0	-	-	0
Nishat Power Limited - Employees Provident Fund Trust	122,690	9,093	131,783	12,434	922	-	13,389
Security General Insurance Company Limited	2,021,728	17,543	2,039,271	204,893	1,778	208,735	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	259,792	16,293	276,065	26,329	1,651	-	28,051
Adamjee Insurance Company Limited - Employees Gratuity Fund	333,855	537,797	344,825	33,835	54,557	53,821	35,035
Adamjee Insurance Company Limited - Employees Provident Fund	665,703	886,473	492,607	67,466	89,917	107,574	50,050
Security General Insurance Company Limited - Employees Provident Fund Trust	91,735	6,799	98,534	9,297	689	-	10,011
Sayyed Engineers Limited	6,508	408	6,916	660	41	-	703
ITMinds Limited	-	625,295	322,942	-	63,371	33,000	30,720
Adamjee Life Assurance Company Limited - DGF	-	1,991,083	1,991,083	-	202,243	204,118	-
Adamjee Life Assurance Company Limited - DSF	22,906	1,716,803	1,710,111	29,598	174,324	175,287	3,007
Nishat Paper Products Company Limited - Staff Provident Fund Trust	172,688	12,799	185,467	17,501	1,287	-	18,846
Adamjee Life Assurance Company Limited - Managed Growth Fund	-	22,705	1,399	-	2,301	2,178	142
<b>Total associated Companies</b>	<b>31,884,498</b>	<b>79,510,724</b>	<b>103,442,116</b>	<b>3,231,347</b>	<b>8,076,964</b>	<b>10,553,084</b>	<b>808,048</b>
<b>Key management personnel*</b>	<b>36,723,098</b>	<b>20,713,240</b>	<b>52,184,444</b>	<b>3,721,717</b>	<b>2,100,150</b>	<b>535,995</b>	<b>5,302,023</b>
<b>Mandate Under Discretionary Portfolio Services*</b>	<b>9,654,954</b>	<b>33,351,778</b>	<b>35,251,276</b>	<b>978,485</b>	<b>3,385,749</b>	<b>3,604,308</b>	<b>787,967</b>
<b>Unit holders holding 10% or more units *</b>	<b>136,589,039</b>	<b>287,824,169</b>	<b>227,580,061</b>	<b>14,045,362</b>	<b>53,431,083</b>	<b>60,282</b>	<b>21,217,784</b>

\* This reflects the position of related party / connected persons status as at December 31, 2022

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

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	December 31, 2023 (Un-audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000')			(Rupees in '000')			
<b>Financial assets measured at fair value through profit or loss</b>							
Government securities - Market Treasury Bills	6,282,646	-	6,282,646	-	6,282,646	-	6,282,646
	6,282,646	-	6,282,646	-	6,282,646	-	6,282,646
<b>Financial assets not measured at fair value</b>							
Bank balances	-	21,415,872	21,415,872				
Profit receivable	-	343,132	343,132				
Advances, deposits and other receivables	-	15,963	15,963				
Term Deposit Receipts	1,500,000	-	1,500,000				
	1,500,000	21,774,967	23,274,967				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	48,587	48,587				
Payable to the Trustee	-	1,307	1,307				
Accrued expenses and other liabilities	-	51,877	51,877				
	-	101,771	101,771				
	June 30, 2023 (Audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000')			(Rupees in '000')			
<b>Financial assets measured at fair value through profit or loss</b>							
Government securities - Market treasury bills	58,664,000	-	58,664,000	58,664,000	-	-	58,664,000
	58,664,000	-	58,664,000	58,664,000	-	-	58,664,000
<b>Financial assets not measured at fair value</b>							
Bank balances	-	17,447,467	17,447,467				
Profit receivable	-	367,186	367,186				
Advances, deposits and other receivables	-	25,733	25,733				
	-	17,840,386	17,840,386				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	97,755	97,755				
Payable to the Trustee	-	2,624	2,624				
Payable against purchase of investments	-	18,144,541	18,144,541				
Accrued expenses and other liabilities	-	10,280	10,280				
	-	18,255,200	18,255,200				

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

**16 INTERIM DISTRIBUTION DURING THE PERIOD**

Un-audited					
December 31, 2023					
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution	
(Rupees in '000)					
For the period ended August 01, 2023	1.8978	August 1, 2023	182,191	743,317	925,507
For the period ended August 30, 2023	1.6149	August 30, 2023	193,590	570,359	763,949
For the period ended September 20, 2023	1.1953	September 20, 2023	148,189	435,096	583,285
For the period ended October 24, 2023	2.0377	October 24, 2023	204,590	656,222	860,813
For the period ended November 28, 2023	1.9888	November 28, 2023	179,431	526,207	705,638
For the period ended December 27, 2023	1.5530	December 27, 2023	124,316	282,804	407,120
			<u>1,032,307</u>	<u>3,214,005</u>	<u>4,246,312</u>

Un-audited					
December 31, 2022					
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution	
(Rupees in '000)					
For the period ended July 25, 2022	1.0346	July 26, 2022	67,711	387,633	455,344
For the period ended August 29, 2022	1.3809	August 30, 2022	112,409	441,368	553,777
For the period ended September 27, 2022	1.2335	September 28, 2022	207,080	524,357	731,437
For the period ended October 25, 2022	1.1762	October 26, 2022	108,073	518,927	626,999
For the period ended November 25, 2022	1.3125	November 28, 2022	126,214	540,867	667,081
For the period ended December 23, 2022	1.1518	December 26, 2022	162,207	465,814	628,021
			<u>783,694</u>	<u>2,878,966</u>	<u>3,662,659</u>

**17 GENERAL**

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

**18 DATE OF AUTHORISATION FOR ISSUE**

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

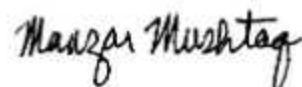
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**MCB INVESTMENT MANAGEMENT LIMITED**

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

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