

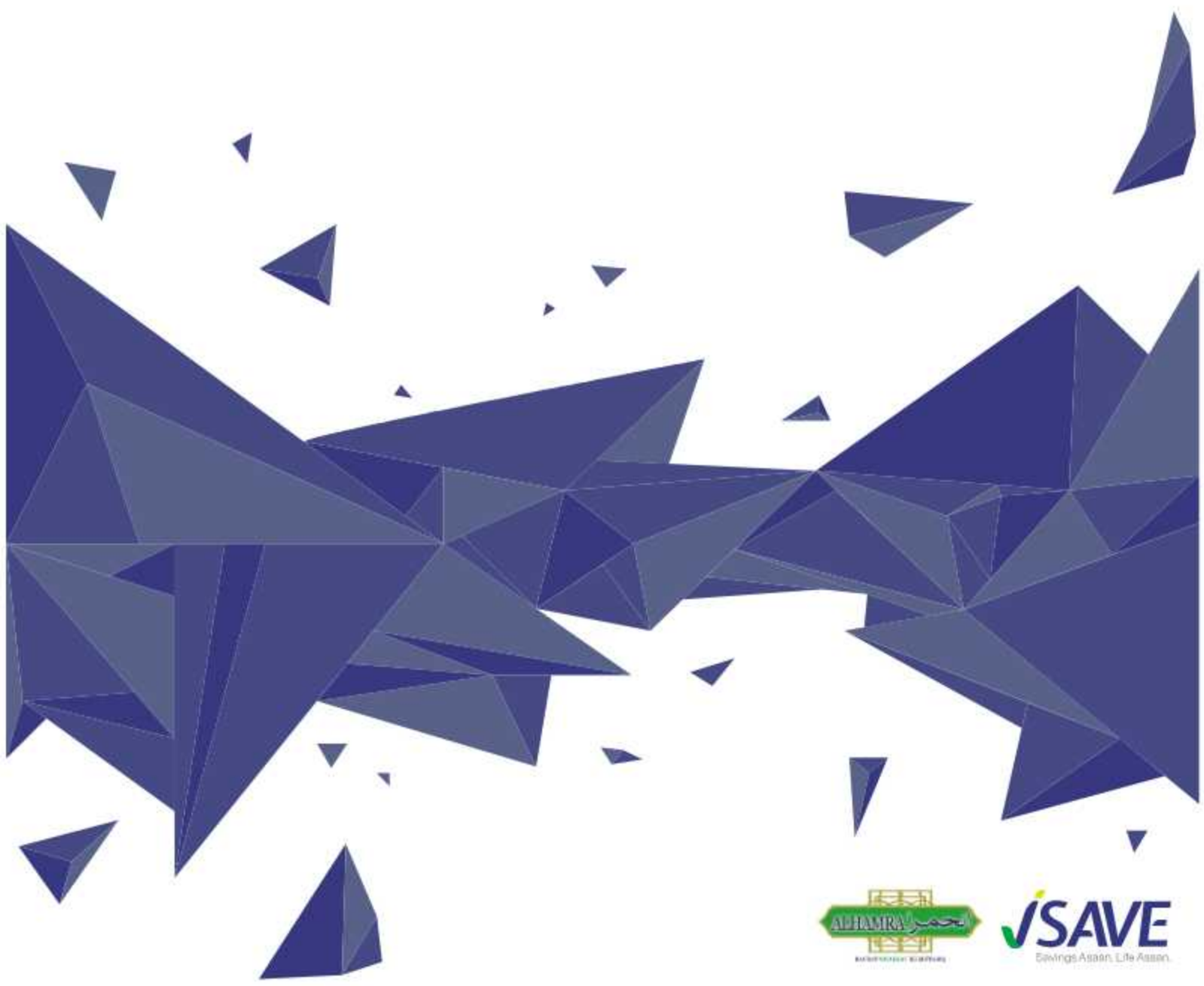


MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2023
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



PAKISTAN CAPITAL MARKET FUND

TABLE OF CONTENTS

1	Fund's Information	284
2	Report of the Directors of the Management Company	285
3	Trustee Report to the Unit Holders	295
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	296
5	Condensed Interim Statement of Assets And Liabilities	297
6	Condensed Interim Income Statement (Un-audited)	298
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	299
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	300
9	Condensed Interim Cash Flow Statement (Un-audited)	301
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	302

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 Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al Habib Limited Habib Bank Limited	National Bank of Pakistan JS Bank Limited Standard Chartered Bank Limited Zarai Traqati Bank Limited Bank Al-Falah Limited
Auditors	BDO Ibrahim & Co. Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed 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 **Pakistan Capital Market Fund**'s 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

Equity Market Review

Stock market witnessed exuberance in the first half of fiscal year 2024 as the benchmark KSE-100 increased by 50.7% or 20,998 points to close at 62,451 points. The bullish momentum was on account on improvement in macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the government's firm commitment to achieve the IMF targets as the government successfully completed IMF first review in November 2023. The strength of the local currency post crackdown on currency smuggling and hoarding, strong corporate profitability and market expectation of monetary easing in the second half of fiscal year all contributed to the sustainability the rally.

During 1HFY24, Foreign investors, Insurance, and Corporates were net buyers with an inflow of USD 71 million, USD 60.3 million and USD 52.4 million, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 92.4 million and USD 51.0 million, respectively. During the half, average trading volumes for KSE-100 Index saw an increase of 194% to 244 million shares compared to about 89 million shares during the preceding half. Similarly, the average trading value during the quarter saw a rise of 119% over the last half to near USD 39 million.

Banking, E&P and Power sector were the major contributors to the index gain adding 6,584/2,675/2,232 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring, which was hampering the sector's performance. Power sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt, which would improve the sector cash flows.

FUND PERFORMANCE

During the period under review, the fund posted a return of 44.54% compared to the return of 40.94% posted by the benchmark.

On the equities front, the overall allocation stood at 68.3%. The exposure was mainly held in Commercial Banks and Cement.

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

The Net Assets of the Fund as at December 31, 2023 stood at Rs. 462 million as compared to Rs. 333 million as at June 30, 2023 registering an increase of 38.74%.

The Net Asset Value (NAV) per unit as at December 31, 2023 was Rs. 15.35 as compared to opening NAV of Rs. 11.02 per unit as at June 30, 2023 showing an increase of Rs. 4.33 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

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

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 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%.

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

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.

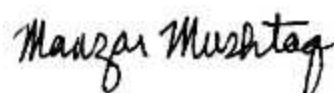
ACKNOWLEDGMENT

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

ڈائریکٹرز رپورٹ

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز 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



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

02 فروری 2024ء

Manoza Mushtaq

منظر مشتاق

ڈائریکٹر

02 فروری 2024ء

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 مدّت 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 مدّت 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۔

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 مدّت 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۔

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۔ تریلات زراور 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 کثیر الجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر اروپہ 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 کثیر الجہتی 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 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 کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیز پر توجہ مرکوز کی

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 44.54 فیصد منافع پوسٹ کیا، بالمقابل مقررہ معیار 40.94 فیصد کے۔ ایکویٹیز کی مد میں مجموعی سرمایہ کاری 68.3 فیصد کی سطح پر تھی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ کے شعبے میں تھی۔ طے شدہ آمدنی کی مد میں فنڈ نے اپنی سرمایہ کاری نقد میں برقرار رکھی تاکہ بینکوں کی پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جاسکے۔ 31 دسمبر 2023ء کو فنڈ کے net اثاثہ جات 462 ملین روپے تھے، جو 30 جون 2023ء کو 333 ملین روپے کے مقابلے میں 38.74 فیصد اضافہ ہے۔

31 دسمبر 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 15.35 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی 11.02 روپے فی یونٹ کے مقابلے میں 4.33 روپے فی یونٹ اضافہ ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس ٹخن کارکردگی کے بعد مالی سال 2024ء میں 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 ہوگئی، بالمقابل مالی سال 2023ء میں 4.9 ملین گانٹھوں کے۔

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوست ممالک، آئی ایم ایف اور کثیرالجہتی 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

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 گراؤٹ 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۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2024ء کی پہلی ششماہی میں اسٹاک مارکیٹ میں جوش و خروش دیکھا گیا کیونکہ KSE-100 انڈیکس 50.7 فیصد یعنی 20,998 پوائنٹس بڑھ کر 62,451 پوائنٹس پر بند ہوا۔ ترقی کے اس رجحان کی وجہ مجموعی معاشی عوامل میں بہتری تھی جو پاکستان کے آئی ایم ایف کے نئے پروگرام میں داخل ہونے کے بعد ممکن ہوئی۔ مارکیٹ کے شرکاء نے بھی حکومت کے آئی ایم ایف اہداف پورے کرنے کے مضبوط عزم کا خیر مقدم کیا اور حکومت نے نومبر 2023ء میں آئی ایم ایف کا پہلا جائزہ مکمل کر لیا۔ مالی سال کے نصف آخر میں کرنسی کی غیر قانونی درآمد اور ذخیرہ اندوزی کے خلاف کارروائی، کارپوریٹ شعبے کی بھرپور قابلیت منافع، اور مارکیٹ کی مالیاتی تسہیل کی توقع کے نتیجے میں روپے کی قدر میں پائیداری آئی۔

مالی سال 2024ء کی پہلی ششماہی میں غیر ملکی سرمایہ کار، بیمہ کمپنیاں اور کارپوریٹ ادارے net خریدار تھے جن کی بدولت پالترتیب 71 ملین ڈالر، 60.3 ملین ڈالر اور 52.4 ملین ڈالر کی آمد ہوئی، جبکہ سب سے زیادہ فروخت بینکوں اور میوچل فنڈز کی طرف سے ہوئی جو پالترتیب 92.4 ملین ڈالر اور 51.0 ملین ڈالر تھی۔ دوران ششماہی KSE-100 کے لیے اوسط کاروباری حجم گزشتہ ششماہی میں تقریباً 89 ملین حصص کے مقابلے میں 194 فیصد بڑھ کر 244 ملین حصص ہو گئے۔ اسی طرح، اوسط کاروباری قدر گزشتہ سہ ماہی کے مقابلے میں 119 فیصد بڑھ کر 39 ملین ڈالر ہو گئی۔

انڈیکس کی بڑھوتری کے اہم ترین عوامل بینکاری، ای اینڈ پی یعنی (تیل اور گیس کی) دریافت اور پیداوار کے شعبے اور پاور سیکٹر (بجلی اور گیس کا شعبہ) تھے جنہوں نے پالترتیب 6,584، 2,675 اور 2,232 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخل ہونے کی بدولت مقامی قرض کی شیل نو کا امکان کم ہو گیا جو اس شعبے کی کارکردگی کو متاثر کر رہا تھا۔ پاور سیکٹر نے بہتر متوقع ڈیویڈنڈز کی بدولت کارکردگی کا مظاہر کیا، جبکہ ای اینڈ پی نے گیس کا گردش قرض ختم ہو جانے کی خبر کی بدولت ترقی کی راہیں طے کیں جس سے اس شعبے میں نقد کی آمد و رفت میں بہتری آئے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیپیٹل مارکیٹ فنڈ کے اکاؤنٹس برائے ششماہی مُختتمہ 31 دسمبر 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر 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 اسٹینڈ بائے 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 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 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 ملکہ 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 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

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TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN CAPITAL MARKET 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 Pakistan Capital Market 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



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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF PAKISTAN CAPITAL MARKET FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Capital Market Fund** ("the Fund") as at December 31, 2023 and the related condensed interim income statement, the condensed interim statement of comprehensive income, the 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 "interim financial statements") for the half year then ended. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements 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 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements for the half year ended December 31, 2022 and annual financial statement of the Fund for year ended June 30, 2023 were reviewed and audited by another firm of Chartered Accountants who have expressed an unmodified conclusion and unmodified opinion thereon vide their reports dated February 22, 2023 and September 22, 2023 respectively.

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 22 FEB 2024

UDIN: RR202310166HeUYfZWnX

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	(Rupees in '000)	
ASSETS		
Balances with banks	4 141,033	47,311
Investments	5 323,449	298,966
Dividend and profit receivable	3,112	1,756
Advances, deposits and other receivables	4,929	4,928
Receivable against sale of investments	1,109	-
Total assets	473,632	352,961
LIABILITIES		
Payable to MCB Investment Management Limited - Management Company	6 1,658	1,073
Payable to Central Depository Company of Pakistan Limited - Trustee	7 89	65
Payable to the Securities and Exchange Commission of Pakistan	8 34	70
Payable against purchase of investments	-	8,720
Payable against redemption of units	216	216
Accrued and other liabilities	9 9,634	9,822
Total liabilities	11,630	19,966
NET ASSETS	462,002	332,995
REPRESENTED BY		
UNIT HOLDERS' FUND (as per statement attached)	462,002	332,995
Contingencies and commitments	10	
	(Number of units)	
NUMBER OF UNITS IN ISSUE	30,105,904	30,207,113
	(Rupees)	
NET ASSET VALUE PER UNIT	15.3500	11.0237

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 (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Half Year ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
(Rupees in '000)					
INCOME					
Realised loss on sale of investments - net		39,131	(4,394)	30,922	(3,882)
Dividend income		12,932	14,205	6,989	5,652
Income from government securities		2,825	3,729	-	3,091
Income from term finance certificates		-	11	-	4
Profit on bank deposits		9,620	5,841	6,572	2,159
Income on deposit with NCCPL exposure margin		145	95	74	51
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	88,737	(15,638)	73,028	(11,681)
Total income / (loss)		153,390	3,849	117,584	(4,606)
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	6.1	6,352	6,210	3,307	3,000
Sindh Sales tax on remuneration of the Management Company	6.2	826	807	430	390
Allocated expenses	6.3	165	185	74	89
Remuneration of Central Depository Company of Pakistan Limited - Trustee		395	372	213	180
Sindh sales tax on remuneration of the Trustee		51	48	27	23
Selling and marketing expenses	6.4	298	-	298	-
Annual fee to the Securities and Exchange Commission of Pakistan	8	168	37	91	18
Securities transaction cost		811	498	386	314
Settlement and bank charges		258	216	135	94
Fees and subscription		-	14	-	7
Auditors' remuneration		397	504	206	336
Printing and related costs		51	14	26	(17)
Legal and professional charges		93	80	14	13
Total operating expenses		9,865	8,985	5,207	4,447
Net income / (loss) from operating activities		143,525	(5,136)	112,377	(9,053)
Taxation	11	-	-	-	-
Net income / (loss) for the period		143,525	(5,136)	112,377	(9,053)
Allocation of net income for the period:					
Net income for the period after taxation		143,525	-	-	-
Income already paid on units redeemed		(1,733)	-	-	-
		141,792	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		126,508	-	-	-
- Excluding capital gains		15,284	-	-	-
		141,792	-	-	-
Earnings per unit	13				

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

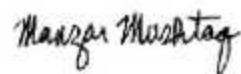
For MCB Investment Management Limited
(Management Company)



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 / (loss) for the period	143,525	(5,136)	112,377	(9,053)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>143,525</u>	<u>(5,136)</u>	<u>112,377</u>	<u>(9,053)</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 MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended December 31,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	311,562	21,433	332,995	372,388	9,221	381,609
Issuance of 5,466,511 units (2022: 721,659 units):						
Capital value	58,054	-	58,054	7,955	-	7,955
Element of Income	8,195	-	8,195	(280)	-	(280)
Amount received on issuance of units	66,249	-	66,249	7,675	-	7,675
Redemption of 5,567,720 units (2022: 4,128,362 units):						
Capital value	(59,129)	-	(59,129)	(43,967)	-	(43,967)
Element of Loss	(7,822)	(1,733)	(9,555)	(1,113)	-	(1,113)
Amount paid / payable on redemption of units	(66,951)	(1,733)	(68,684)	(45,080)	-	(45,080)
Total comprehensive income/ (loss) for the period	-	143,525	143,525	-	(5,136)	(5,136)
Distribution during the period	(12,083)	-	(12,083)	-	-	-
Net income for the period less distribution	(12,083)	143,525	131,442	-	(5,136)	(5,136)
Net assets at the end of the period	298,777	163,225	462,002	334,983	4,085	339,068
Undistributed income brought forward comprising of:						
- Realised income		27,052			44,947	
- Unrealised loss		(5,619)			(35,726)	
		21,433			9,221	
Accounting income available for distribution						
- Relating to capital gains		126,508			(5,136)	
- Excluding capital gains		15,284			-	
		141,792			(5,136)	
Undistributed income carried forward		163,225			4,085	
Undistributed income carried forward comprising of						
- Realized income		74,488			19,723	
- Unrealized income / (loss)		88,737			(15,683)	
		163,225			4,085	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		10.4500			10.6500	
Net assets value per unit at end of the period		15.3500			10.4500	

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

	December 31,	
	2023	2022
	(Unaudited)	
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period after taxation	143,525	(5,136)
Adjustments for non-cash and other items:		
Dividend income	(12,932)	(14,205)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3 (88,737)	15,638
	41,856	(3,703)
Decrease/ (increase) in assets		
Investments - net	64,254	116,965
Receivable against sale of investments	(1,109)	-
Dividend and profit receivables	(1,356)	(321)
Advances, deposits and other receivables	(1)	(1)
	61,788	116,643
(Decrease)/ Increase in liabilities		
Payable to MCB Investments Management Company Limited	585	(98)
Payable to Central Depository Company of Pakistan Limited - Trustee	24	(4)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(36)	(52)
Payable against purchase of investments	(8,720)	(15,986)
Accrued and other liabilities	(188)	79
	(8,336)	(16,061)
Dividend received	12,932	14,205
Net cash flows from operating activities	108,240	111,084
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	66,249	7,675
Payments on redemption of units	(68,684)	(45,080)
Distribution paid during the year	(12,083)	-
Net cash used in financing activities	(14,518)	(37,405)
Net increase in cash and cash equivalents during the period	93,722	73,679
Cash and cash equivalents at the beginning of the period	47,311	71,305
Cash and cash equivalents at the end of the period	12 141,033	144,984

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between MCB Investment Management Limited (the Company) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Funds 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 7, 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 Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.5 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities, secured debt securities, money market transactions and reverse re-purchase transactions.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2023 to the Management Company.

- 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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the 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.

- 2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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.
- 2.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.
- 2.4 In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2023.

2.5 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani rupees ("Rupees" or "Rs."), which is the functional and presentation currency of the Fund.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the fund's operations and did not have any impact on accounting policies of the fund and therefore not disclosed in this condensed interim financial information.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the 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 new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or do not have any material effect on the Fund's operations and therefore not detailed in these financial statements.

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

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. 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**

		December 31, 2023 (Un audited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
4 BALANCES WITH BANKS			
In current accounts		4,126	2,791
In saving accounts	4.1	136,907	44,520
	4.2	<u>141,033</u>	<u>47,311</u>
4.1	These carry profit at the rates ranging from 20.50% to 21.85% per annum (June 30, 2023: 12.75 % to 19.5% per annum).		
4.2	These include a balance of Rs.2.391 million (June 30, 2023: Rs. 1.606 million) maintained with MCB Bank Limited (a related party).		
5 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	323,448	230,828
Government securities	5.2	-	68,138
		<u>323,448</u>	<u>298,966</u>

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

5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the investee company	As at July 1, 2022	Purchases during the period	Sold during the period	As at December 31, 2022	As at December 31, 2023		Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company	
					Carrying Value	Unrealised (diminution) / appreciation	Net assets of the fund	Total Investments		
					Rupees in '000					%
Automobile Assembler										
Indus Motors Company Limited	-	3,400	-	3,400	3,798	4,080	281	0.88	0.01	-
Pak Suzuki Motors Company Limited	-	17,000	8,900	8,100	2,041	4,523	2,481	0.98	0.01	0.01
					5,840	8,602	2,763	1.86	0.03	0.01
Automobile Parts And Accessories										
Parther Tyres Limited	-	110,000	110,000	-	-	-	-	-	-	-
Thal Limited *	100	10,073	100	10,073	2,921	2,972	50	0.64	0.01	0.01
					2,921	2,972	50	0.64	0.01	0.01
Cement										
D.G. Khan Cement Company Limited **	228,000	145,500	375,500	-	-	-	-	-	-	-
Fajri Cement Company Limited	1,248,750	139,000	467,750	920,000	10,928	17,406	6,479	3.77	0.05	0.04
Kohat Cement Company Limited	30,300	-	30,300	-	-	-	-	-	-	-
Lucky Cement Limited	35,500	33,668	19,168	50,000	31,314	39,349	8,035	8.52	0.12	0.02
Maple Leaf Cement Factory Limited	655,000	513,600	578,600	590,000	17,795	22,963	5,168	4.97	0.07	0.05
					60,037	79,718	19,681	17.26	0.25	0.11
Chemicals										
Archroma Pakistan Limited	3,800	2,100	-	5,900	2,794	2,832	38	0.61	0.01	0.02
Intehad Chemicals Limited	-	30,000	-	30,000	1,362	1,509	147	0.33	0.00	0.03
Lucky Core Industries Limited	-	3,000	-	3,000	1,980	2,336	356	0.51	0.01	-
					6,136	6,677	541	1.45	0.02	0.05
Commercial Banks										
Faysal Bank Limited (note 5.1.1)	-	428,000	21,500	406,500	9,980	13,244	3,264	2.87	0.07	0.03
Habib Bank Limited	-	147,000	67,000	80,000	8,097	8,867	771	1.92	0.03	0.01
Habib Metropolitan Bank Limited (note 5.1.1)	-	312,500	-	312,500	13,703	17,288	3,585	3.74	0.05	0.03
Meezan Bank Limited	117,000	164,600	127,600	154,000	16,994	24,849	7,856	5.38	0.08	0.01
United Bank Limited (note 5.1.1)	59,000	111,500	79,000	91,500	11,613	16,272	4,659	3.52	0.05	0.01
					60,386	80,520	20,134	17.43	0.27	0.09
Engineering										
International Steels Limited **	-	140,000	30,000	110,000	5,236	8,032	2,796	1.74	0.02	0.03
Mughal Iron & Steel Industries Limited	165,000	129,898	68,000	226,898	12,464	15,016	2,552	3.25	0.05	0.07
					17,700	23,048	5,348	4.99	0.07	0.10
Fertilizer										
Engro Fertilizers Limited	40,000	-	40,000	-	-	-	-	-	-	-
Engro Corporation Limited	35,000	-	35,000	-	-	-	-	-	-	-
Fajri Fertilizer Bm Qasim Limited	455,000	404,000	572,600	286,400	4,152	9,136	4,985	1.98	0.03	0.02
Fajri Fertilizer Company Limited	-	38,000	-	38,000	3,648	4,501	653	0.93	0.01	-
					7,799	13,437	5,638	2.91	0.04	0.02

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

Name of the investee company	As at July 1, 2022	Purchases during the period	Sold during the period	As at December 31, 2022	As at December 31, 2023			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					Carrying Value	Market value	Unrealised (diminution)/ appreciation	Net assets of the fund	Total investments	
Number of shares										
Rupees in '000'										
Food & Personal Care Products										
National Foods Limited *	60,000	4,000	11,800	52,200	5,172	7,569	2,397	1.64	0.02	0.02
Shezan International Limited	7,956	-	7,956	-	-	-	-	-	-	-
The Organic Meat Company Limited	112,210	-	112,210	-	5,172	7,569	2,397	1.64	0.02	0.02
Balance carried forward					165,991	222,544	56,553	48.18	0.71	0.41
Balance brought forward					165,991	222,544	56,553	48.18	0.71	
Glass & Ceramics										
Saabir Tiles & Ceramics Limited*	204,500	145,000	204,500	145,000	1,784	2,066	282	0.45	0.01	0.04
Oil & Gas Exploration Company										
Mari Petroleum Company Limited	11,000	300	11,300	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	94,000	-	94,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	88,000	88,000	-	-	-	-	-	-	-
Oil & Gas Marketing Companies										
Shell Pakistan Limited	22,000	-	22,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	80,000	-	15,300	64,700	2,547	4,757	2,210	1.03	0.01	0.01
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	5,000	-	5,000	2,250	2,301	51	0.50	0.01	0.01
Agp Limited	30,000	-	30,000	-	-	-	-	-	-	-
Citi Pharma limited	161,000	88,340	78,340	171,000	3,725	4,060	335	0.88	0.01	0.07
Ferozsons Laboratories Limited	24,000	-	3,200	20,800	2,846	4,589	1,743	0.99	0.01	0.05
Haleon Pakistan Limited	24,000	17,000	3,300	37,700	5,801	6,372	571	1.38	0.02	0.03
Higginson Laboratories Limited	8,855	2,500	2,000	9,355	3,314	4,720	1,407	1.02	0.01	0.02
Paper and Board										
Packages Limited	15,500	2,900	-	18,400	7,274	9,754	2,479	2.11	0.03	0.02
Refinery										
Attock Refinery Limited	-	28,400	28,400	-	-	-	-	-	-	-
Miscellaneous										
Synthetic Products Limited *	80,000	-	80,000	-	-	-	-	-	-	-

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

Name of the investee company	As at July 1, 2022	Purchases during the period	Sold during the period	As at December 31, 2022	As at December 31, 2022			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					Carrying Value	Market value	Unrealised (diminution) / appreciation	Net assets of the fund	Total investments	
										%
Power Generation And Distribution										
Hub Power Company Limited	200,000	-	91,000	109,000	7,584	12,763	5,179	2.76	0.04	0.01
Nishat (Chunian) Power Limited	-	180,000	-	180,000	4,867	5,035	168	1.09	0.02	0.05
					12,451	17,797	5,347	3.85	0.06	0.06
Tobacco										
Pakistan Tobacco Company Limited	4,000	6,500	50	10,450	6,424	11,815	5,390	2.56	0.04	-
					6,424	11,815	5,390	2.56	0.04	-
Technology & Communication										
Systems Limited	34,500	-	34,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Balance carried forward					214,408	290,774	76,367	62.95	0.92	0.31
Balance brought forward					214,408	290,774	76,367	63	0.92	0.31
Textile Composite										
Gul Ahmed Textile Mills Limited	250,022	140,000	-	390,022	7,018	8,424	1,407	1.82	0.03	0.05
Interloop Limited	312,574	44,000	53,883	302,691	10,953	21,794	10,840	4.72	0.07	0.02
Kohinoor Textile Mills Limited	90,541	-	90,541	-	-	-	-	-	-	-
Nishat Mills Limited **	-	32,000	-	32,000	2,331	2,455	124	0.53	0.01	0.01
					20,302	32,673	12,371	7.07	0.10	0.08
Total at December 31, 2023					234,710	323,448	88,737			
Total at June 30, 2023					236,349	230,828	(5,520)			

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

** These represents transactions in shares of related parties

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

- 5.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by Securities and Exchange Commission of Pakistan (SECP).

Name of security	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
	--- (Number of shares) ---		----- (Rupees in '000) -----	
United Bank Limited	50,000	50,000	7,558	5,877
Maple Leaf Cement Factory Limited	100,000	100,000	3,308	2,833
Fauji Cement Company Limited	500,000	500,000	7,850	5,880
	<u>650,000</u>	<u>650,000</u>	<u>18,716</u>	<u>14,590</u>

- 5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. During the year ended June 30, 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio. The management is confident that the decision of the constitutional petition will be in favour of the CISs. During the year ended June 30, 2020, the Fund has reclassified the amount of these shares from "investments" to "advances, deposits and other receivables" based on the market value of these shares on November 13, 2020.

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

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at December 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.29 million (June 30, 2023: 0.22 million).

5.2 Market Treasury Bills

Name of security	Date of issue	Face Value				As at December 31, 2023			Market value as a percentage of	
		As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at December 31, 2023	Carrying Value	Market value	Unrealised loss	Net assets	Total investments
(Rupees in '000)										
Market Treasury Bills									%	
- 3 months	July 13, 2023	-	500,000	500,000	-	-	-	-	-	-
- 3 months	August 10, 2023	-	90,000	90,000	-	-	-	-	-	-
- 3 months	June 15, 2023	71,000	-	71,000	-	-	-	-	-	-
Total as at December 31, 2023										
Total as at June 30, 2023						68,236	68,138	(98)		

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

5.3 Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss

Market value of investments	5.1 & 5.2	323,448	298,966
Carrying value of investments	5.1 & 5.2	234,710	304,585
		<u>88,737</u>	<u>(5,619)</u>

6 PAYABLE TO MCB INVESTMENTS MANAGEMENT COMPANY LIMITED

Management remuneration payable	6.1	1,169	925
Sindh sales tax payable on management remuneration	6.2	152	120
Allocated expenses payable	6.3	39	28
Marketing and selling payable	6.4	298	-
		<u>1,658</u>	<u>1,073</u>

6.1 The management company charged management fee at the rate up to 4% 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.

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

- 6.2 Sales tax on management remuneration has been charged at the rate of 13%.
- 6.3 The Management Company has charged allocated expenses to the Fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.
- 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 CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a monthly remuneration based on the average daily net assets of the Fund for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein. The tariff structure applicable to the Fund in respect of trustee fee is as follows:

Average net asset value	Tariff per annum
Up to Rs.1,000 million	0.20% per annum of net assets
Amount exceeding Rs.1,000 million	Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

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

In accordance with the NBFC Regulations, CIS is required to pay annual fee to the SECP on annual basis at the rate of 0.02% of average Net Assets of Collective investment Scheme calculated on daily basis.

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

	Note	(Un-Audited)	(Audited)
		December 31, 2023	June 30, 2023
		----- (Rupees in '000) -----	
9 ACCRUED AND OTHER LIABILITIES			
Provision for Federal Excise Duty payable on:			
- Remuneration of the Management Company	9.1	5,872	5,872
- Sales load	9.1	393	393
Legal and professional charges payable		47	39
Withholding tax payable		27	1
Dividend payable		2,783	2,784

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

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Auditors' remuneration payable	356	560
Brokerage payable	66	133
Other payables	90	40
	<u>9,634</u>	<u>11,845</u>

- 9.1 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty (FED) as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2023 would have been higher by Rs. 0.21 per unit (June 30, 2023: Rs. 0.21 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 (June 2023: Nil).

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

12 CASH AND CASH EQUIVALENTS

Balances with banks	<u>141,033</u>	<u>115,449</u>
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**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

13 EARNINGS PER UNIT

Earnings per unit is 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.

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.

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:

	(Un-Audited)	(Audited)
	December 31,	December 31,
	2023	2022
	-----	-----
	(Rupees in '000)	

14.1 Details of transactions with connected persons are as follows:

**MCB Investment Management Limited -
Management Company**

Remuneration including indirect taxes	7,178	7,017
Allocated Expenses	165	185
Selling and Marketing Expenses	298	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration including indirect taxes	447	420
CDS charges	37	9

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

	(Un-Audited) December 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
MCB Bank Limited		
Bank charges	6	-
Mark-up income	86	-
D.G. Khan Cement Limited		
Purchase 145,500 (2022: 18,000) shares	7,236	1,137
Sale of 373,500 (2022: 82,000) shares	18,515	4,842
Dividend Income	-	65
Nishat Mills Limited		
Purchase 32,000 (2022: 15,000) shares	2,331	1,043
Sale NIL (2022: 70,000) shares	-	4,060
Dividend Income	-	280
International Steels Limited		
Purchase 140,000 (2022: NIL) shares	7	-
Sale 30,000 (2022: NIL) shares	2	-
Dividend Income	350	-
	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
14.2 Balances outstanding at period / year end:		
MCB Investment Management Limited - Management Company		
Management fee payable	1,169	925
Sindh sales tax on management fee	152	120
Allocated expense payable	39	28
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	300	300
Trustee fee payable	79	58
Sindh sales tax payable on trustee fee	10	7
MCB Bank Limited	2,391	2,214
Balance with Bank	35	35
Profit receivable on bank deposit		
D.G. Khan Cement Company Limited		
NIL (2023: 228,000) shares held	-	11,696
Nishat Mills Limited		
32,000 (2023: NIL) shares held	2,455	-
International Steels Limited		
110,000 (2023: 40,500) shares held	8,032	-

**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:

December 31, 2023 (Un-audited)							
As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2023	As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2023
(Units)				(Rupees in '000)			
Directors and executives of the Management Company *	8	-	8	0.08	-	-	0.12
10% or more unitholders	3,500,802	112,078	3,612,880	53,737	1,190	-	54,928

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

** Nil figure due to rounding off

December 31, 2022 (Un-audited)							
As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2022	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2022
(Units)				(Rupees in '000)			
Directors and executives of the Management Company *	8	-	8	0.08	-	-	0.09

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

** Nil figure due to rounding off

15 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.

15.1 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:

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

- 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 holds the following financial instruments measured at fair values:

----- Unaudited -----				
----- December 31, 2023 -----				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000') -----				
Financial assets at fair value through profit or loss				
Listed equity securities	323,449	-	-	323,449
	323,449	-	-	323,449

----- Audited -----				
----- June 30, 2023 -----				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000') -----				
Financial assets at fair value through profit or loss				
Listed equity securities	230,828	-	-	230,828
Government securities	-	68,138	-	68,138
	230,828	68,138	-	298,966

16 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.99% and this includes 0.58% representing government levy, SECP fee etc.

17 GENERAL

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

18 DATE OF AUTHORISATION FOR ISSUE

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

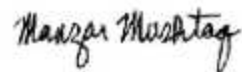
For MCB Investment Management Limited
(Management Company)



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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