

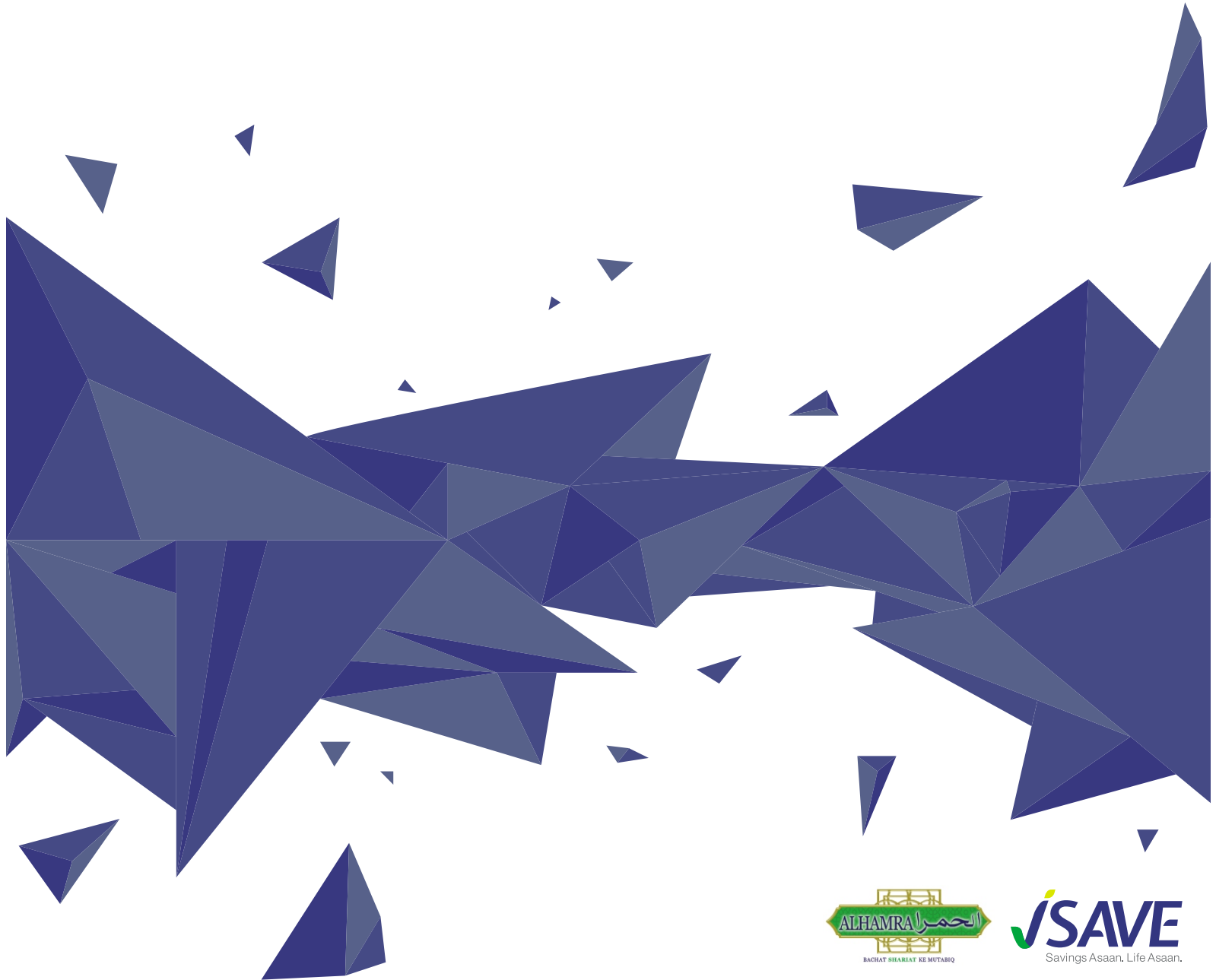


MCB FUNDS
Investments for Life

QUATERLY REPORT

MARCH
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



PAKISTAN INCOME FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited	Khushali Micro Finance Bank Limited Tameer Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqati Bank Limited Habib Bank Limited HBL Mirco Finance Bank Limited National Bank of Pakistan Soneri Bank Limited The Bank of Khyber
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Fund** accounts review for the nine months ended March 31, 2024.

Economy and Money Market Review

Macroeconomic indicators have been on an improving path since 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, and managed to receive timely rollovers from friendly countries. It also showed unwavering commitment to remain compliant with the IMF targets and as a result government was able to successfully reach staff level agreement with IMF in the first and second reviews. After formation of new cabinet, the government has also publicly announced its intention to seek a new IMF program of at least USD 6.0 billion after the current program expires.

The 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. This led to the reduction of the difference between open market and interbank rates, which consequently improved remittances and export proceeds. The government has been running a subdued current account balance, which along with increased clarity on the external front has led the local currency to depict strength. The USD PKR close the period at 277.9 appreciating by 2.9% since the start of the year.

Country posted a current account deficit (CAD) of USD 1.0 billion in the first eight months of the fiscal year 2024 (8MFY24) declining by 74% YoY compared to a deficit of USD 3.8 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 10.2% increase in exports coupled with an 8.8% drop in imports led to a 27.6% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 8.0 billion as of March 2024 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 27.1% during first nine months of the fiscal year compared to 27.3% 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 March 18, 2024. The Committee assessed that the level of inflation remains high and its outlook is susceptible to risks amidst elevated inflation expectations which warranted a cautious approach in the near term.

The country's GDP grew by 1.0% in the second quarter of the financial year 2023-24 as compared to 2.2% in the same period last year. Agriculture grew by 5.0%, Services remained flattish at 0.01% while industrial sector witnessed a decline of -0.84%. Historic high interest rates coupled with political uncertainty were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 30.1% in 9MFY24 to PKR 6,709 billion, outpacing the target by a modest PKR 1bn.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 20.78% as against its benchmark return of 24.07%.

At period end, the fund was invested 50.1% in T-Bills, 15.7% in PIBs and 12.7% in TFC/Sukuks. The weighted average maturity of the fund stood at 2.7 years.

The Net Assets of the Fund as at March 31, 2024, stood at Rs. 2,079 million as compared to Rs. 2,724 million as at June 30, 2023 registering a decrease of 23.68%.

The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 63.1994 as compared to the opening NAV of Rs. 54.6443 per unit as at June 30, 2023 registering an increase of Rs. 8.5551 per unit.

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 2.7% in FY24 after a dismal performance last year where the GDP contracted by 0.17%. The outlook for agricultural output is optimistic, with an expected increase of 6.1%. This growth is attributed to rebound in production compared to the previous year, which was marred by heavy floods affecting crops like rice and cotton. Particularly encouraging is the notable increase in cotton arrivals, rising by 71% year-on-year to reach 8.4 million bales in the fiscal year 2024. However Industrial and services sector growth is likely to remain lackluster and will clock at 1.1% and 1.8% respectively due to overall economic slowdown amid all time high interest rates.

We expect government to enter a new long-term IMF program worth atleast USD 6 billion, after the current program expires. Successful continuation of the IMF program will be a key positive as it will allow us to tap funding from bilateral and multilateral sources. 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 1.4 billion (0.4% of GDP) in FY24 and USD 3.2bn (0.8% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella.

The USD PKR is expected to remain stable as the government is focusing on improving current account deficit on the back of recovery in export and remittances. Entry into the new IMF program will also increase visibility on the external funding. We expect USD/PKR to close the fiscal year around PKR 300.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in March 2024 clocked of 20.7% which was the lowest since May 2022. The core inflation also registered a significant slowdown, clocking at 15.7% which is a low of 18 months. The inflation reading is expected to decline to 18-19% by June 2024 and 13-14% by December 2024. This will allow Monetary Policy Committee to cut interest by 2% till June 2024 and around 5-6% by December 2024.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 9.4%, a discount of 51% from its historical average of 19.1%. Similarly, Earning Yield minus Risk Free Rate is close to 9.0%, 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 4.3x, while offering a dividend yield of 11.9%.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

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 have added government bonds in Income Funds 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 48.3% during 9MFY24 to PKR 2,319 billion. Total money market funds grew by about 30.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 17.4% to PKR 556 billion while Islamic funds increased by 43.9% to PKR 618 billion. In addition, the total fixed Income funds increased by about 93.2% since June 2023 to PKR 714 billion while Equity and related funds increased by 35.3% to PKR 227 billion. In terms of the segment share, Money Market funds were the leader with a share of around 50.6%, followed by Income funds with 30.8% and Equity and Equity related funds having a share of 9.8% as at the end of March 2024.

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 is likely to see inflows post new IMF agreement. Relatively 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
April 22, 2024



Manzar Mushtaq
Director
April 22, 2024

ڈائریکٹرز رپورٹ

بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کو اُن کی محنت کے لیے خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

Manzoor Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی، 22 اپریل 2024ء

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی، 22 اپریل 2024ء

ڈائریکٹرز رپورٹ

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 9.4 فیصد ہے جو اس کے قدیم اوسط 19.1 فیصد سے 51 فیصد کمی ہے۔ اسی طرح Earning Yield سے محفوظ شرح کم کرنے پر تقریباً 9.0 فیصد کے قریب بنتا ہے، اور اس کے تاریخی اوسط 2.7 فیصد سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.3x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 11.9 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ درمیانی اور طویل مدت کے سرمایہ کار بانڈ اور انکم فنڈز سے مستفیدہ ہو سکتے ہیں جہاں زیادہ مدت میں سود کی شرح کے مستقبل کے امکانات کی بنیاد پر سرمائے میں اضافے کے مواقع پیدا ہوں گے۔ ہم نے حکومتی بانڈز کو انکم فنڈز میں شامل کر دیا ہے تاکہ قریبی 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 کے پہلے نو ماہ کے دوران تقریباً 48.3 فیصد بڑھ کر 2,319 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2023ء سے اب تک تقریباً 30.0 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 17.4 فیصد بڑھ کر 556 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 43.9 فیصد بڑھ کر 618 بلین روپے ہو گئے۔ مزید برآں، فکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 93.2 فیصد بڑھ کر 714 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 35.3 فیصد بڑھ کر 227 بلین روپے ہو گئے۔

شعبہ جاتی شراکت کے اعتبار سے مارچ 2024ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 50.6 فیصد کے ساتھ سب سے آگے تھے، جبکہ انکم فنڈز 30.8 فیصد اور ایکویٹی اور متعلقہ فنڈز 9.8 فیصد رہے

میوچل فنڈ صنعت کا نقطہ نظر

سود کی شرحوں میں کمی کی بنیاد پر بانڈ فنڈز اور ایکویٹیز، دونوں کی کارکردگی اگلے سال اچھی ہونے کا امکان ہے۔ دوران سال انکم فنڈز میں سرمایہ کاروں کی قابل ذکر دلچسپی صاف ظاہر تھی جبکہ ایکویٹی فنڈز میں آئی ایم ایف کے نئے معاہدے کے بعد بہتری متوقع ہے۔ دوران مدت نسبتاً زیادہ شروع سود سے منی مارکیٹ فنڈز میں پائیدار آمدات 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

معیشت اور مارکیٹ - مستقبل کے امکانات

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) گزشتہ سال مایوس کن کارکردگی (0.17 فیصد کمی) کے بعد مالی سال 2024ء میں متوقع طور پر بحال ہو کر 2.7 فیصد ہو جائے گی۔ زرعی پیداوار کا مستقبل امید افزا ہے اور اس میں 6.1 فیصد کی ترقی متوقع ہے کیونکہ پیداوار گزشتہ سال کے مقابلے میں بحال ہوئی ہے جب شدید سیلابوں نے چاول اور کپاس جیسی فصلوں کو بھاری نقصان پہنچایا تھا۔ خاص طور پر حوصلہ بخش بات کپاس کی پیداوار میں قابل ذکر اضافہ ہے جو 71 فیصد سال در سال (YoY) بڑھ کر مالی سال 2024ء میں 8.4 ملین گانٹھیں ہو گئی۔ تاہم صنعت اور خدمات کے شعبوں کی ترقی کی ترقی کی ترقی کا امکان ہے جو بالترتیب 1.1 فیصد اور 1.8 فیصد ہوگی، اور اس کے عوامل مجموعی طور پر معاشی سست رفتاری اور سود کی شرحوں کی بلند ترین سطحیں ہیں۔

ہمیں امید ہے کہ حکومت آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6 بلین ڈالر مالیت ایک نئے طویل المیعاد پروگرام میں داخل ہو جائے گی۔ آئی ایم ایف پروگرام کو کامیابی کے ساتھ جاری رکھنا بے حد اہمیت کا حامل ہوگا کیونکہ اس سے دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کرنے میں مدد ملے گی۔ تاہم ہماری خارجی حالت تاحال غیر یقینی کا شکار ہے کیونکہ عالمی سطح پر مشکل حالات کے باعث ہم شاید بین الاقوامی یورو بانڈ اور سنکک کا اجراء نہیں کر سکیں گے۔ علاوہ ازیں، غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے حاصل ہونے والی آمدنی موجودہ معاشی مسائل کے باعث متوقع طور پر رُک رہے گی۔ چنانچہ ہمیں اس سال ایک پائیدار قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل حل ہو سکیں۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 1.4 بلین ڈالر (جی ڈی پی کا 0.4 فیصد ہوگا)، جبکہ مالی سال 2025ء میں 3.2 بلین ڈالر (جی ڈی پی کا 0.8 فیصد) ہوگا، کیونکہ آئی ایم ایف کی چھتری تلے استحکام کی پالیسی جاری رہنے کا امکان ہے۔

ڈالر اور روپے کا تناسب مستحکم رہنے کا امکان ہے کیونکہ حکومت برآمدات اور ترسیلات میں بحالی کی بنیاد پر کرنٹ اکاؤنٹ خسارہ کم کرنے کی طرف توجہ دے رہی ہے۔ نئے آئی ایم ایف پروگرام میں داخل ہونے سے بھی خارجی محاذ پر حصولِ رقم کی صورتحال واضح ہوگی۔ ہمیں توقع ہے کہ مالی سال کے اختتام پر ڈالر اور روپے کا تناسب تقریباً 300 ہوگا۔

مہنگائی کی سطح base کے اثر اور نسبتاً مستحکم روپے کے باعث نیچے آنا شروع ہو گئی ہے۔ مارچ 2024ء میں ہیڈ لائن مہنگائی 20.7 فیصد تک پہنچ گئی تھی جو مئی 2022ء سے اب تک کم ترین عدد ہے۔ بنیادی مہنگائی بھی قابل ذکر حد تک کم ہو کر 15.7 فیصد ہو گئی جو گزشتہ 18 ماہ کی کم ترین سطح ہے۔ جون 2024ء تک مہنگائی مزید کم ہو کر 18 تا 19 فیصد اور دسمبر 2024ء تک 13 تا 14 فیصد ہو جانے کا امکان ہے۔ اس کی بدولت مانیٹری پالیسی کمیٹی جون 2024ء تک سود کو کم کر کے 2 فیصد اور دسمبر 2024ء تک تقریباً 5 تا 6 فیصد کر سکے گی۔

ڈائریکٹرز رپورٹ

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط زیر جائزہ مالی سال کے پہلے نو ماہ کے دوران 27.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 27.3 فیصد تھا۔ مہنگائی بلند تر سطح پر رہی کیونکہ گزشتہ مدتوں میں روپے کی قدر میں خطیر کمی کے باعث اشیائے خورد و نوش اور توانائی کی قیمتوں میں اضافہ ہوا۔ علاوہ ازیں، حکومت نے آئی ایم ایف کی شرائط کی تعمیل میں بجلی اور گیس کی قیمتوں میں اضافہ کیا جس کے باعث مہنگائی کے دباؤ میں بھی مزید اضافہ ہوا۔ ایس بی پی نے مانیٹری پالیسی منعقدہ 18 مارچ 2024ء میں موجودہ صورتحال برقرار رکھی۔ کمیٹی نے جائزہ لیا کہ مہنگائی کی سطح بدستور بلند ہے اور مستقبل میں اس کو خطرات لاحق ہو سکتے ہیں جس کے باعث نئی مدت میں محتاط لائحہ عمل اختیار کرنا ہوگا۔

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023-24ء کی دوسری سہ ماہی میں 1.0 فیصد ترقی ہوئی جو گزشتہ سال مماثل مدت میں 2.2 فیصد تھی۔ زراعت میں 5.0 فیصد ترقی ہوئی، خدمات کے شعبے میں معمولی 0.01 فیصد اضافہ ہوا، جبکہ صنعت میں 0.84 فیصد کمی ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ سیاسی غیر یقینی صورتحال صنعتی ماحاصل میں تنزلی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس حصولی مالی سال 2024ء کے پہلے نو ماہ میں 30.1 فیصد بڑھ کر 6,709 بلین روپے ہو گئی، جو ہدف سے 1 بلین روپے زیادہ ہے۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 20.78 فیصد تھا جبکہ مقررہ معیار 24.07 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری 50.1 فیصد ٹریڈری بلنڈ (ٹی-بلنڈ) میں، 15.7 فیصد پاکستان انویسٹمنٹ بانڈز (پی آئی بی) میں، اور 12.7 فیصد (ٹی ایف سی) اسٹاک میں تھی۔ فنڈ کی پالوزن اوسط میچورٹی 2.7 سال تھی۔ 31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 2,079 ملین روپے تھے، جو 30 جون 2023ء کی سطح 2,724 ملین روپے کے مقابلے میں 23.68 فیصد کم ہے۔

31 مارچ 2024ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 63.1994 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی فی یونٹ 54.6443 روپے کے مقابلے میں 8.5551 روپے فی یونٹ اضافہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم فنڈ کے اکاؤنٹس برائے نومبر 2024ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مجموعی معاشی اشارے سال کے آغاز سے بہتری کی جانب گامزن رہے۔ حکومت نے جون 2023ء میں آئی ایم ایف کا بے حد مطلوب 3 بلین ڈالر کا اسٹینڈ بائے (ایس بی اے) حاصل کر لیا اور دوست ممالک سے بروقت rollovers بھی حاصل کر لیے۔ علاوہ ازیں، آئی ایم ایف کے اہداف کی تعمیل جاری رکھنے کے غیر متزلزل عزم کے نتیجے میں حکومت آئی ایم ایف کے ساتھ پہلے اور دوسرے جائزوں میں اسٹاف لیول معاہدے تک پہنچنے میں بھی کامیاب ہو گئی۔ مزید برآں، حکومت نے نئی کابینہ کی تشکیل کے بعد حکومت نے اعلان کر دیا ہے کہ آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6.0 بلین ڈالر کا نیا پروگرام حاصل کرنے کا ارادہ ہے۔

نگراں حکومت نے روپے پر قیاسی دباؤ کا سامنا کرنے کے بعد ستمبر 2023ء میں ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے غیر قانونی استعمال کے خلاف فیصلہ کن اقدام اٹھائے جس کی بدولت زرمبادلہ کی شرح تیزی سے بحال ہوئی۔ اس کے نتیجے میں اوپن مارکیٹ اور انٹر بینک شرحوں کے درمیان فرق میں کمی ہوئی جس کی بدولت ترسیلات زر اور برآمدات میں بہتری آئی۔ حکومت کرنٹ اکاؤنٹ بیلنس کو کم کر رہی ہے، جس نے خارجی محاذ پر واضح صورتحال کے ساتھ ساتھ مقامی کرنسی کی مضبوطی ظاہر ہو رہی ہے۔ اختتام مدت پر ڈالر اور روپے کا فرق 277.9 تھا، جو آغاز سال کے مقابلے میں 2.9 فیصد زیادہ ہے۔

مالی سال 2024ء کے پہلے آٹھ ماہ میں ٹلک کا کرنٹ اکاؤنٹ کا خسارہ (سی اے ڈی) 1.0 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 3.8 بلین ڈالر کے مقابلے میں 74 فیصد YoY (سال در سال) کمی ہے۔ CAD میں کمی کی سب سے بڑی وجہ کاروباری خسارے میں کمی ہے۔ برآمدات میں 10.2 فیصد اضافہ اور درآمدات میں 8.8 فیصد کمی کی بدولت کاروباری خسارے میں 27.6 فیصد کمی ہوئی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زرمبادلہ کے ذخائر، جو گزشتہ مالی سال کے اختتام پر 4.4 بلین ڈالر تھے، آئی ایم ایف، دوست ممالک اور کثیر الجہتی ذرائع سے آمدات کی بدولت بڑھ کر مارچ 2024ء تک 8.0 بلین ڈالر ہو گئے جس کی بدولت ٹلک کی خارجی صورتحال میں بہتری آئی۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
ASSETS	Note	----- (Rupees in '000) -----	
Bank balances	4	272,334	314,613
Investments	5	2,824,845	2,374,533
Profit receivable		49,933	46,458
Advances, deposits, prepayments and other receivables		14,403	13,532
Total assets		3,161,515	2,749,136
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	6	4,429	9,243
Payable to Central Depository Company of Pakistan Limited - Trustee		152	198
Payable to Securities and Exchange Commission of Pakistan		134	652
Payable against redemption of units		47	47
Payable against purchase of investment		1,065,910	-
Accrued expenses and other liabilities	8	11,751	15,151
Total liabilities		1,082,424	25,291
NET ASSETS		2,079,091	2,723,845
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,079,091	2,723,845
CONTINGENCIES AND COMMITMENTS	9		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		32,897,326	49,846,864
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		63.1994	54.6443

The annexed notes 1 to 17 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 (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024**

	Nine months ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
	Note ----- (Rupees in '000) -----			
INCOME				
Income from government securities	252,874	262,540	69,936	95,965
Capital loss on sale of investments - net	(3,278)	(2,016)	(11,907)	(4,578)
Income from term finance certificates	82,330	84,769	26,068	28,011
Profit on bank deposit and term deposit receipts	55,012	54,431	14,187	10,221
Unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss' - net	(6,123)	(18,562)	225	(18,327)
Other income	5,401	494	1,791	169
Total income	386,217	381,656	100,300	111,461
EXPENSES				
Remuneration of the MCB Investment Management Limited - Management Company	18,708	11,502	4,614	3,084
Sindh Sales Tax on remuneration of Management Company	2,432	1,495	600	401
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,334	1,898	393	596
Sindh Sales Tax on remuneration of Trustee	173	247	51	78
Annual fee to Securities and Exchange Commission of Pakistan	1,334	506	393	159
Allocated expense	2,415	3,510	508	1,191
Selling and marketing expenses	11,155	10,987	2,587	4,764
Settlement and bank charges	997	733	284	164
Brokerage expense	367	590	111	174
Legal and professional charges	177	157	83	76
Auditors' remuneration	814	605	373	173
Other charges	765	675	212	153
Total expenses	40,671	32,904	10,209	11,012
Net income for the period before taxation	345,546	348,752	90,091	100,449
Taxation	10	-	-	-
Net income for the period after taxation	345,546	348,752	90,091	100,449
Allocation of net income for the period:				
Net income for the period after taxation	345,546	348,752		
Income already paid on units redeemed	(84,086)	(96,628)		
	261,460	252,124		
Accounting income available for distribution				
- Relating to capital gains	-	-		
- Excluding capital gains	261,460	252,124		
	261,460	252,124		
Earnings per unit	12			

The annexed notes 1 to 17 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024**

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	345,546	348,752	90,091	100,449
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	345,546	348,752	90,091	100,449

The annexed notes 1 to 17 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	For nine months ended March 31,					
	2024			2023		
	(Rupees in '000)					
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net assets at beginning of the period	2,593,728	130,117	2,723,845	3,087,097	122,928	3,210,025
Issue of 31,415,537 units (2023: 85,314,394 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,716,681	-	1,716,681	4,638,178	-	4,638,178
- Element of income	100,948	-	100,948	205,542	-	205,542
	1,817,629		1,817,629	4,843,719		4,843,719
Redemption of 48,365,075 units (2023: 97,810,478 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,642,876)	-	(2,642,876)	(5,317,535)	-	(5,317,535)
- Element of income	(80,967)	(84,086)	(165,053)	(180,405)	(96,628)	(277,033)
	(2,723,843)	(84,086)	(2,807,929)	5,594,568	(96,628)	(5,594,568)
Total comprehensive income for the period	-	345,546	345,546	-	348,752	348,752
Net assets at end of the period	1,687,514	391,577	2,079,091	2,432,876	375,052	2,807,928
Undistributed income brought forward						
- Realised		153,352			110,314	
- Unrealised		(23,235)			12,614	
		130,117			122,928	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		261,460			252,124	
		261,460			252,124	
Undistributed income carried forward		391,577			375,052	
Undistributed income carried forward						
- Realised		397,701			393,614	
- Unrealised		(6,123)			(18,562)	
		391,577			375,052	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		54.6443			54.3657	
Net assets value per unit at end of the period		63.1994			60.3221	

The annexed notes 1 to 17 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 CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Nine months ended March 31,	
	2024	2023
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	345,546	348,752
Adjustments for non cash and other items:		
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	6,123	18,562
	351,669	367,314
(Increase) in assets		
Investments	298,577	(162,848)
Profit receivable	(3,475)	13,691
Advances, deposits, prepayments and other receivables	(871)	(4,599)
	294,231	(153,756)
Increase / (decrease) liabilities		
Payable to MCB Investment Management Limited - Management Company	(4,814)	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	(46)	(56)
Payable to the Securities and Exchange Commission of Pakistan	(518)	(909)
Payable against purchase of investment	1,065,910	(1,427,833)
Accrued expenses and other liabilities	(3,398)	(40,179)
	1,057,134	(1,468,976)
Net cash generated from / (used in) operating activities	1,703,034	(1,255,418)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,817,629	4,843,719
Payments on redemption of units	(2,807,929)	(5,594,568)
Net cash used in financing activities	(990,300)	(750,849)
Net increase in cash and cash equivalents during the period	712,734	(2,006,267)
Cash and cash equivalents at beginning of the period	314,613	2,432,713
Cash and cash equivalents at end of the period	1,027,347	426,446

The annexed notes 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Income Fund (the Fund) was established through a Trust Deed executed between MCB Arif Habib Savings and Investments Limited (Now: MCB Investment Management Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated January 25, 2011 consequent to which Trust Deed was executed on March 07, 2011 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). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

The Fund is an open-end collective investment scheme categorised as an "Income scheme" by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund primarily invests in money market and other short-term placements / instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of "AM1" dated October 06, 2023 (June 30, 2023: "AM1" dated October 6, 2022) to the Management Company and "AA-(f)" as stability rating dated March 01, 2024 (June 30, 2023: "AA-(f)" as stability rating dated March 2, 2023) to the Fund. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2023. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2024 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2023, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2023.
- 2.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.
- 3.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2023.
- 3.3 **Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

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

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

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

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
Note		---- (Rupees in '000) ----	
4 BANK BALANCES			
Savings accounts	4.1	254,453	300,701
Current accounts	4.2	17,881	13,912
		<u>272,334</u>	<u>314,613</u>

- 4.1 These carry profit at the rate of 20.5% (June 30, 2023: 12.25% to 19.5%) per annum and include Rs 0.361 million (June 30, 2023: Rs 0.046 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 20.5% (June 30, 2023: 19.5%) per annum.

- 4.2 This include Rs 17.8738 million (June 30, 2023: Rs 13.904 million) maintained with MCB Bank Limited (a related party).

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
Note		---- (Rupees in '000) ----	
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss' - net	5.1		
Government securities - Market treasury bills	5.1.1	1,583,714	1,548,960
Pakistan investment bonds	5.1.2	328,159	-
Pakistan investment bonds - Floating Rate Bond	5.1.3	168,333	338,240
Government of Pakistan (GoP) Ijara Sukuks	5.1.4	343,626	-
Term finance certificates - listed	5.1.5	-	-
Term finance certificates - unlisted	5.1.5	401,014	481,813
Sukuks certificates - unlisted	5.1.6	-	5,520
		<u>2,824,845</u>	<u>2,374,533</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

5.1 Financial assets at fair value through profit or loss'
5.1.1 Government securities - Market treasury bills

Tenor	Issue Date	Face value				As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at March 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)		
					(Rupees in '000)				%	
3 months										
- 3 months	18-May-23	300,000	400,000	700,000	-	-	-	-	-	
- 3 months	01-Jun-23	450,000	700,000	1,150,000	-	-	-	-	-	
- 3 months	15-Jun-23	-	2,700,000	2,700,000	-	-	-	-	-	
- 3 months	22-Jun-23	-	1,500,000	1,500,000	-	-	-	-	-	
- 3 months	13-Jul-23	-	1,000,000	1,000,000	-	-	-	-	-	
- 3 months	10-Aug-23	-	2,385,000	2,385,000	-	-	-	-	-	
- 3 months	24-Aug-23	-	575,000	575,000	-	-	-	-	-	
- 3 months	07-Sep-23	-	725,000	725,000	-	-	-	-	-	
- 3 months	21-Sep-23	-	3,725,000	3,725,000	-	-	-	-	-	
- 3 months	05-Oct-23	-	1,700,000	1,700,000	-	-	-	-	-	
- 3 months	19-Oct-23	-	800,000	800,000	-	-	-	-	-	
- 3 months	02-Nov-23	-	900,000	900,000	-	-	-	-	-	
- 3 months	16-Nov-23	-	1,925,000	1,925,000	-	-	-	-	-	
- 3 months	30-Nov-23	-	1,610,000	1,610,000	-	-	-	-	-	
- 3 months	14-Dec-23	-	500,000	500,000	-	-	-	-	-	
- 3 months	28-Dec-23	-	125,000	125,000	-	-	-	-	-	
- 3 months	11-Jan-24	-	375,000	375,000	-	-	-	-	-	
- 3 months	07-Feb-24	-	500,000	500,000	-	-	-	-	-	
- 3 months	22-Feb-24	-	1,275,000	500,000	775,000	755,155	(142)	36	27	
- 3 months	07-Mar-24	-	375,000	375,000	-	-	-	-	-	
- 3 months	21-Mar-24	-	500,000	500,000	-	-	-	-	-	
6 months										
- 6 months	15-Jun-23	-	7,050,000	7,050,000	-	-	-	-	-	
- 6 months	19-Oct-23	-	500,000	500,000	-	-	-	-	-	
- 6 months	02-Nov-23	-	500,000	500,000	-	-	-	-	-	
- 6 months	16-Nov-23	-	2,900,000	2,900,000	-	-	-	-	-	
- 6 months	30-Nov-23	-	500,000	500,000	-	-	-	-	-	
- 6 months	14-Dec-23	-	500,000	500,000	-	-	-	-	-	
- 6 months	28-Dec-23	-	500,000	500,000	-	-	-	-	-	
- 6 months	11-Jan-24	-	125,000	125,000	-	-	-	-	-	
12 months										
- 12 months	27-Mar-23	-	325,000	325,000	-	-	-	-	-	
- 12 months	15-Jun-23	500,000	-	500,000	-	-	-	-	-	
- 12 months	19-Oct-23	-	500,000	500,000	-	-	-	-	-	
- 12 months	02-Nov-23	-	9,475,000	8,975,000	500,000	444,161	(1)	21	16	
- 12 months	16-Nov-23	-	2,500,000	2,500,000	-	-	-	-	-	
- 12 months	30-Nov-23	-	500,000	500,000	-	-	-	-	-	
- 12 months	14-Dec-23	-	500,000	500,000	-	-	-	-	-	
- 12 months	28-Dec-23	-	500,000	500,000	-	-	-	-	-	
- 12 months	11-Jan-24	-	850,000	650,000	200,000	172,397	(902)	8	6	
- 12 months	25-Jan-24	-	1,000,000	750,000	250,000	213,194	(148)	10	8	
Total as at March 31, 2024					1,584,906	1,583,714	(1,192)			
Total as at June 30, 2023					1,557,177	1,548,960	(8,218)			

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

5.1.2 Pakistan investment bonds

Particulars	Issue Date	Face value				As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold during the period	As at March 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Pakistan Investment Bonds-3 Years	July 4, 2023	-	2,300,000	2,300,000	-	-	-	-	-	-
Pakistan Investment Bonds-3 Years	February 15, 2024	-	350,000	-	350,000	329,241	328,159	(1,082)	15.78	11.62
Pakistan Investment Bonds-5 Years	January 17, 2024	-	275,000	275,000	-	-	-	-	-	-
Total as at March 31, 2024						329,241	328,159	(1,082)		
Total as at June 30, 2023						-	-	-		

5.1.3 Pakistan investment bonds - Floating Rate Bond

Particulars	Issue Date	Face value				As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold during the period	As at March 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Pakistan Investment Bond - 2 years	April 6, 2023	-	2,758,000	2,758,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 2 years	December 30, 2021	0	250,000	250,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 3 years	September 21, 2023	-	400,000	400,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	May 6, 2021	350,000.00	-	350,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	September 21, 2023	0	1,900,000	1,900,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	April 6, 2023	0	100,000	100,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	August 10, 2023	0	1,350,000	1,350,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	October 19, 2023	0	3,700,000	3,700,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	December 14, 2023	0	475,000	300,000	175,000	169,356	168,333	(1,023)	8%	6%
Total as at March 31, 2024						169,356	168,333	(1,023)		
Total as at June 30, 2023						342,584	338,240	(4,344)		

5.1.4 Government of Pakistan (GoP) Ijara Sukuks

Particulars	Issue Date	Face value				As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2023	Purchased during the period	Sold during the period	As at March 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)		
Government of Pakistan- Ijara Sukuk										
- 1 Year	September 20, 2023	-	125,000	-	125,000	125,000	125,000	-	6%	4%
- 1 Year	December 4, 2023	-	25,000	-	25,000	25,000	25,000	-	1%	1%
- 1 Year	March 15, 2024	-	22,000	-	22,000	18,498	18,460	(38)	1%	1%
- 3 Year	December 4, 2023	-	300,000	300,000	-	-	-	-	0%	0%
- 3 Year	January 24, 2024	-	75,000	-	75,000	75,000	75,188	188	4%	3%
- 5 Year	December 4, 2023	-	200,000	200,000	-	-	-	-	0%	0%
- 5 Year	January 24, 2024	-	100,000	-	100,000	99,978	99,978	(0)	5%	4%
Total as at March 31, 2024						343,476	343,626	149		
Total as at June 30, 2023						-	-	-		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
Note		----- (Rupees in '000) -----	----- (Rupees in '000) -----
5.1.5 Listed debt securities - term finance certificates			
Market value as at June 30	5.1.5.1	87,336	91,999
Less: Provision as at July 1			
- Pace Pakistan Limited		(49,940)	(49,940)
- Telecard Limited		(18,653)	(23,316)
- Trust Investment Bank Limited		(18,743)	(18,743)
		(87,336)	(91,999)
		-	-

5.1.5.1 Listed debt securities - Term finance certificates

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of certificates			As at March 31, 2024	As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2023	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----									
----- (%) -----									
Investment Banks / Investment Companies / Securities Companies									
Trust Investment Bank Limited	10,000	-	10,000	-	18,743	18,743	-	-	-
Miscellaneous									
Pace Pakistan Limited	10,000	-	10,000	-	49,940	49,940	-	-	-
Technology & Communication									
Telecard Limited	15,980	-	15,980	-	18,653	18,653	-	-	-
Total as at March 31, 2024					87,336	87,336	-		
Total as at June 30, 2023					91,999	91,999	-		

5.1.5 Unlisted debt securities - Term finance certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at March 31, 2024	As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2023	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----									
----- (%) -----									
Commercial Banks									
Askari Bank Limited - II	30	-	-	30	29,693	29,850	157	1.44%	1.06%
The Bank of Punjab	1,730	-	-	1,730	171,958	170,977	(981)	8.22%	6.05%
Bank Al Habib Limited	53,000	-	12,000	41,000	202,337	200,187	(2,150)	9.63%	7.09%
Investment Banks / Investment Companies / Securities Companies									
Jahangir Siddiqui & Company Limited	22,000	-	22,000	-	-	-	-	0.00%	0.00%
Total as at March 31, 2024					403,988	401,014	(2,974)		
Total as at June 30, 2023					492,488	481,813	(10,675)		

5.1.5.1 Significant terms and conditions of term finance certificates outstanding as at March 31, 2024 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Commercial Banks				
Askari Bank Limited - II	3 months KIBOR + 1.20%	March 17, 2020	March 17, 2030	AA
The Bank of Punjab	6 months KIBOR + 1.25%	April 23, 2018	April 23, 2028	AA
Bank Al Habib Limited	6 months KIBOR + 0.75%	September 30, 2021	September 30, 2031	AAA

5.1.6 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at March 31, 2024	As at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2023	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----									
----- (%) -----									
Chemical									
Ghani Gases Limited	480	-	480	-	-	-	-	-	-
Total as at March 31, 2024					-	-	-		
Total as at June 30, 2023					5,520	5,520	-		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

5.1.8 Status of non compliance as per Circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investments	Note	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of gross assets
Trust Investment Bank Limited	5.1.5.1	TFC	18,743	(18,743)	-	-	-
Telecard Limited *	5.1.5.1	TFC	18,653	(18,653)	-	-	-
Pace Pakistan Limited	5.1.5.1	TFC	49,940	(49,940)	-	-	-

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non-performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

* The issuer with the consent of TFC holders have restructured the issue. The restructuring term spreads over a period of 8 years with the first payment of principal started from March 2022 and thereafter in equal quarterly instalments with maturity in December 2028. During the period, an amount equal to Rs. 4.66 (June 30, 2023: Rs. 7.74) million payment has been received.

	Note	(Un-audited) March 31, 2024 (Rupees in '000)	(Audited) June 30, 2023
6. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	6.1	1,486	1,206
Sindh sales tax payable on management remuneration	6.2	193	157
Sales load payable		-	2,718
Payable against allocated expenses	6.3	163	350
Payable against marketing and selling expenses	6.4	2,587	4,812
		4,429	9,243

- 6.1** The Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates up to 10 % of the gross earnings of the scheme calculated on a daily basis during the period. The remuneration is payable to the Management Company monthly in arrears.
- 6.2** Sindh Sales Tax on management fee has been charged at 13% (June 2022: 13%).
- 6.3** The Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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 from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to from 0.02% to 0.075% of net assets. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
(Rupees in '000)			
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for federal excise duty and related tax on	8.1		
- Management fee		9,210	9,210
- Sales load		239	239
Brokerage		112	38
Capital gain tax		1,042	4,468
Auditors' remuneration		552	531
Legal and Professional Charges		24	148
Other		573	517
		11,751	15,151

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 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 March 31, 2024 would have been higher by Re. 0.287 per unit (June 30, 2023: Re. 0.19 per unit).

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

10. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether 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 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.

		March 31, 2024	March 31, 2023
----- (Rupees in '000) -----			
11. CASH AND CASH EQUIVALENTS			
Bank balance	4	272,334	129,250
Market Treasury Bills	5.1.1	755,013	297,196
		1,027,347	426,446

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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 annualized total expense ratio (TER) of the Fund based on the current period results is 2.28 % (March 31, 2023: 1.31 %) which includes 0.22 % (March 31, 2023: 0.09 %) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

14. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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

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

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

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

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

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

For the nine months ended March 31, 2024

	As at July 01, 2023	Issued for cash	Redeemed	As at March 31, 2024	As at July 01, 2023	Issued for cash	Redeemed	As at March 31, 2024
	----- Units -----				----- (Rupees in '000) -----			
Adamjee Life Assurance Company Limited	3,399,417	-	3,399,417	-	185,759	-	200,816	-
D.G Khan Cement Company Limited - Provident Fund Trust	550,369	-	550,369	-	30,075	-	30,783	-
Nishat Paper Product Company Limited - Provident Fund Trust	146,625	-	146,625	-	8,012	-	8,114	-
Security General Insurance Company Limited - Provident Fund Trust	127,813	-	-	127,813	6,984	-	-	8,078
Directors and key management personnel of the Management Company	8	90,121	74,767	15,362	-	5,141	4,200	971
Mandate under discretionary portfolio services	-	47	-	47	-	3	-	3

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

For the nine months ended March 31, 2023								
	As at July 01, 2022	Issued for cash	Redeemed	As at March 31, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at March 31, 2023
	Units				(Rupees in '000)			
Adamjee Insurance Company Limited	2,940,965	-	-	2,940,965	160,707	-	-	185,867
Adamjee Insurance Company Limited - Managed Growth Fund	-	428	-	428	-	25	-	27
Adamjee Insurance Company Limited - DSF	-	111,334	4,245	107,089	-	6,500	250	6,768
D.G Khan Cement Company Limited	476,145	-	-	476,145	26,018.61	-	-	30,092
Security General Insurance Company Limited	110,576	-	-	110,576	6,042.35	-	-	6,988
Directors and key management personnel of the Management Company	7	240,457	240,463	1	0	13,502	13,513	0
Mandate under discretionary portfolio services	100,520	186,516	225,907	61,129	5,492.85	10,803	13,076	3,863
Unit holders holding 10% or more units*	-	5,152,960	-	5,152,960	-	295,856	-	325,664

14.2. Details of transactions with related parties / connected persons during the year

	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
MCB-Investments Management Limited - Management Company		
Remuneration including indirect taxes	21,140	12,997
Allocated expenses	2,415	3,510
Marketing and selling expense	11,155	10,987
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	1,507	2,144
CDS charges	12	13
MCB Bank Limited - Parent of the Management Company		
Profit on bank balances	77	6
Bank charges	19	23

14.3. Details of balances with related parties / connected persons as at year end

	March 31, 2024	June 30, 2023
	----- (Rupees in '000) -----	
MCB-Investments Management Limited - Management Company		
Management remuneration payable	1,486	1,206
Sindh sales tax payable on management remuneration	193	157
Sales load payable	-	2,718
Payable against allocated expenses	163	350
Payable against marketing and selling expenses	2,587	4,812
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	134	175
Sindh sales tax payable on Trustee remuneration	17	23
Security deposit	200	200
MCB Bank Limited - Parent of the Management Company		
Bank balance	18,234	13,950

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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:

Level 1: quoted prices 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).

16. GENERAL

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

16.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there were no material reclassifications to report.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 22, 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

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