

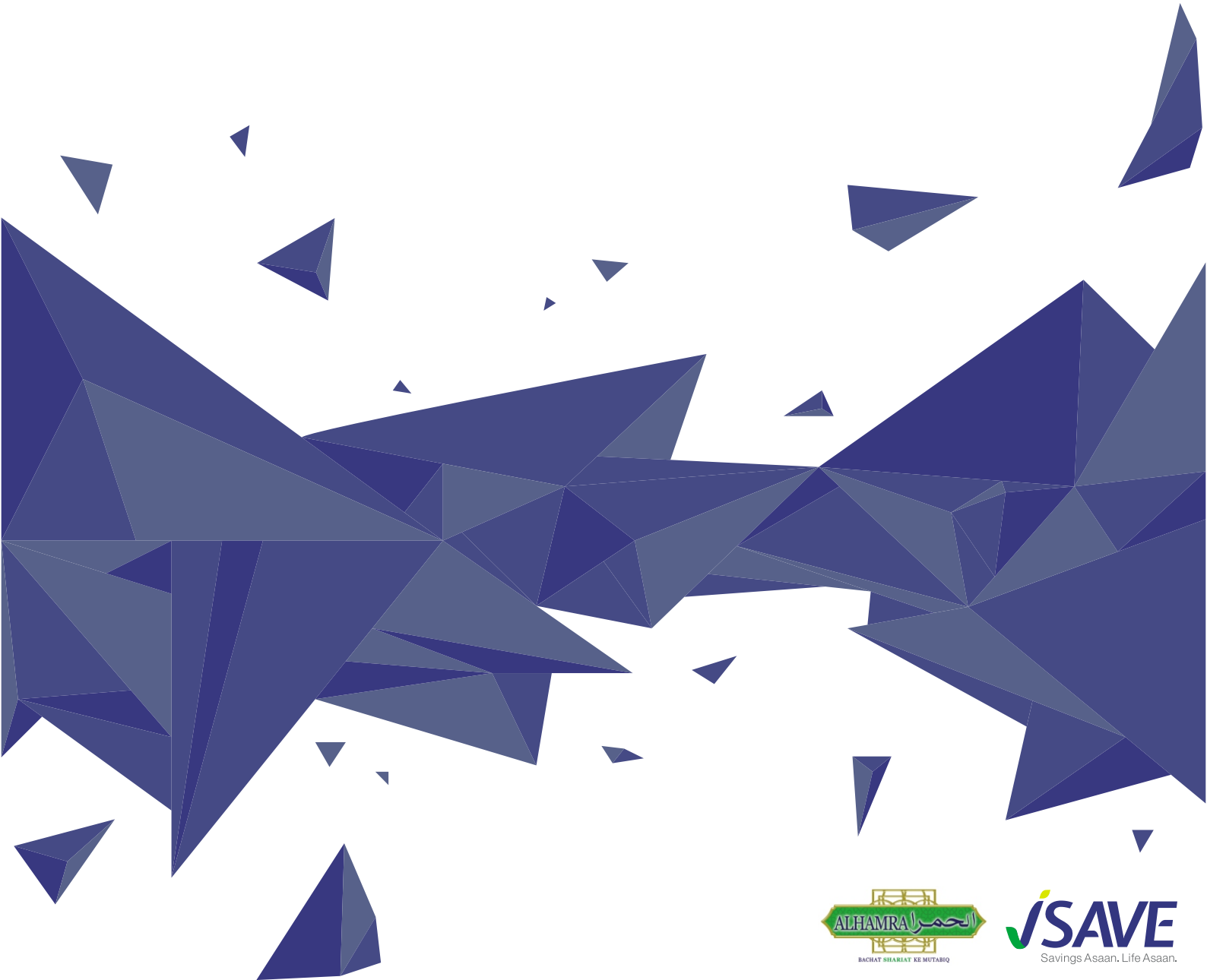


MCB FUNDS
Investments for Life

QUATERLY REPORT

MARCH
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



PAKISTAN INCOME ENHANCEMENT 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 Telenor Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Taraqjati Bank Limited Habib Bank Limited HBL Mirco Finance Bank Limited National Bank of Pakistan The Bank of Khyber
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
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 Enhancement 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 19.75% against its benchmark return of 24.17%.

WAM of fund stood at 2.2 years. The fund was mainly invested in T-Bills & GOP Ijara Sukuk.

At period-end, the fund was 55.7% invested in T-Bills, 24.4% in GOP Ijara Sukuk.

The Net Assets of the fund as at March 31, 2024 stood at Rs. 6,757million as compared to Rs. 1,201 million as at June 30, 2023 registering a increase of 462.61%.

The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 55.3904 as compared to opening NAV of Rs. 54.4717 per unit as at June 30, 2023 registering an increase of Rs. 0.9187 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

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

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%.

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 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 براں، فیکسڈ 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 صورت حال 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 19.75 فیصد تھا جبکہ مقررہ معیار 24.17 فیصد تھا۔ فنڈ کی پالوزن اوسط میچورٹی (WAM) 2.2 سال تھی۔ فنڈ کی سرمایہ کاری زیادہ تر ٹریڈری بلنز (ٹی-بلنز) اور حکومت پاکستان کے اجارہ سنکک میں تھی۔

اختتام مدت پر فنڈ کی سرمایہ کاری 55.7 فیصد ٹی-بلنز میں اور 24.4 فیصد حکومت پاکستان کے اجارہ سنکک میں تھی۔ 31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 6,757 ملین روپے تھے، جو 30 جون 2023ء کی سطح 1,201 ملین روپے کے مقابلے میں 462.61 فیصد اضافہ ہے۔

31 مارچ 2024ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 55.3904 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی فی یونٹ 54.4717 روپے کے مقابلے میں 0.9187 روپے فی یونٹ اضافہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم انہینسمنٹ فنڈ کے اکاؤنٹس نو ماہ مختتمہ 31 مارچ 2024ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر 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 اگریمنٹ (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 صورت حال 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 ملک 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 (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 ملک کی خارجی صورت حال میں بہتری آئی۔

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

	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
Note	------(Rupees in '000)-----	
ASSETS		
Balances with banks	4 279,437	244,161
Investments	5 7,557,439	965,765
Mark-up, dividend and other receivables	104,016	15,269
Advances, deposits and prepayments	4,597	3,565
Receivables against sale of investment	839	-
Receivable from National Clearing Company of Pakistan Limited	4,035	2,181
Total assets	7,950,363	1,230,941
LIABILITIES		
Payable to Investment Management Limited - Management Company	6 16,000	2,800
Payable to Central Depository Company of Pakistan Limited - Trustee	502	86
Payable to the Securities and Exchange Commission of Pakistan (SECP)	444	245
Payable against purchase of investments	1,150,371	-
Payable against redemption of units	2,079	2,079
Accrued and other liabilities	8 23,632	24,750
Total liabilities	1,193,028	29,961
NET ASSETS	6,757,335	1,200,980
Unit holders' fund (as per statement attached)	6,757,335	1,200,980
Contingencies and commitments	9	
	(Number of units)	
NUMBER OF UNITS IN ISSUE	121,994,593	22,047,796
	------(Rupees)-----	
NET ASSET VALUE PER UNIT	55.3904	54.4717

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE 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	750,897	90,402	361,202	48,523
Income from term finance certificates	15,010	26,911	4,978	8,334
Capital (loss)/ gain on sale of investments - net	(73,099)	4,507	(61,402)	(277)
Mark-up on bank deposits	65,106	33,416	22,509	4,911
Unrealised (diminution) on re-measurement of investments			-	-
classified as 'financial assets at fair value through profit or loss' - net	5.1 to 5.3	(14,598)	(5,381)	(859)
Other income	457	188	192	77
Total income	743,773	150,043	326,620	56,416
EXPENSES				
Remuneration of MCB Investment Management Limited- Management Company	42,480	4,386	17,235	1,455
Sindh sales tax on remuneration of Management Company	5,522	570	2,240	189
Allocated expenses	3,847	1,301	1,848	528
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,870	687	1,426	264
Sindh sales tax on remuneration of the Trustee	373	89	185	34
Selling and marketing expenses	17,274	3,439	9,271	1,759
Annual fee to the Securities and Exchange Commission of Pakistan	2,868	183	1,425	70
Brokerage, settlement charges and bank charges	2,811	694	1,039	208
Fees and subscription	699	648	146	139
Auditors' remuneration	620	621	193	165
Legal and professional charges	177	157	83	76
Other expenses	66	28	16	14
Total expenses	79,607	12,803	35,107	4,901
Net income for the period before taxation	664,166	137,240	291,513	51,515
Taxation	10	-	-	-
Net income for the period after taxation	664,166	137,240	291,513	51,515
Allocation of net income for the period:				
Net income for the period	664,166	137,240		
Income already paid on units redeemed	(278,793)	(32,085)		
	385,373	105,155		
Accounting income available for distribution				
- Relating to capital gains	-	-		
- Excluding capital gains	385,373	105,155		
	385,373	105,155		
Earnings per unit	11			

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



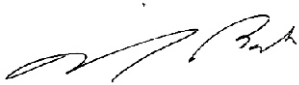
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (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
	------(Rupees in '000)-----			
Net income for the period after taxation	664,166	137,240	291,513	51,515
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>664,166</u>	<u>137,240</u>	<u>291,513</u>	<u>51,515</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 NINE MONTHS ENDED MARCH 31, 2024**

	Nine months ended March 31, 2024			Nine months ended March 31, 2023		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Note	------(Rupees in '000)-----					
Net assets at the beginning of the period	1,091,607	109,374	1,200,980	766,138	104,220	870,358
Issue of 427,869,032 units (2023: 32,344,454 units)						
- Capital value (at net asset value per unit at the beginning of the period)	23,306,754	-	23,306,754	1,751,698	-	1,751,698
- Element of income	1,328,854	-	1,328,854	89,982	-	89,982
	24,635,608	-	24,635,608	1,841,680	-	1,841,680
Redemption of 327,922,235 units (2023: 26,944,134 units)						
- Capital value (at net asset value per unit at the beginning of the period)	17,862,482	-	17,862,482	1,459,230	-	1,459,230
- Element of income	615,319	278,793	894,112	55,889	32,085	87,974
	18,477,801	278,793	18,756,594	1,515,119	32,085	1,547,204
Total comprehensive income for the period	-	664,166	664,166	-	137,240	137,240
Interim dividend during the period on Dec 27, 2023 at the rate Rs 5.6149 per unit	613,278	183,109	796,387	-	-	-
Interim dividend during the period on Feb 13, 2024 at the rate Rs 1.3178 per unit	73,935	116,502	190,437	-	-	-
Total distributions during the period	687,213	299,611	986,824	-	-	-
Net assets at the end of the period	<u>6,562,200</u>	<u>195,136</u>	<u>6,757,335</u>	<u>1,092,699</u>	<u>209,375</u>	<u>1,302,074</u>
Undistributed income brought forward comprising of:						
- Realised		115,885			102,893	
- Unrealised loss		<u>(6,511)</u>			<u>1,327</u>	
		109,374			104,220	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		<u>385,373</u>			<u>105,155</u>	
		385,373			105,155	
Distribution during the period		<u>(299,611)</u>				
Undistributed income carried forward		<u>195,136</u>			<u>209,375</u>	
Undistributed income carried forward comprising of:						
- Realised		209,734			214,756	
- Unrealised		<u>(14,598)</u>			<u>(5,381)</u>	
		<u>195,136</u>			<u>209,375</u>	
Net asset value per unit at the beginning of the period	<u>54.4717</u>			<u>54.1576</u>		
Net asset value per unit at the end of the period	<u>55.3904</u>			<u>60.6430</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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Nine months ended	
	March 31, 2024	March 31, 2023
Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	664,166	137,240
Adjustments for non cash and other items:		
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	14,598	5,381
	<u>678,764</u>	<u>142,621</u>
(Increase) in assets		
Investments - net	(5,899,970)	(649,111)
Mark-up, dividend and other receivables	(88,747)	(7,947)
Advances, deposits and prepayments	(1,032)	(2,821)
Receivables against sale of investment	(839)	-
Receivable Against Margin Trading System	-	1
Receivable from National Clearing Company of Pakistan Limited	(1,854)	-
	<u>(5,992,442)</u>	<u>(659,878)</u>
Increase / (Decrease) in liabilities		
Payable to MCB Investment Management Limited - Management Company	13,200	(864)
Payable to Central Depository Company of Pakistan Limited - Trustee	416	37
Payable to the Securities and Exchange Commission of Pakistan	198	(31)
Payable against purchase of investments	1,150,371	(186,585)
Accrued and other liabilities	(1,118)	458
	<u>1,163,067</u>	<u>(186,985)</u>
Net cash used in operating activities	<u>(4,150,611)</u>	<u>(704,242)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	23,948,395	1,841,680
Payments on redemption of units	(18,756,594)	(1,547,204)
Distribution during the period	(299,611)	-
Net cash generated from financing activities	<u>4,892,189</u>	<u>294,476</u>
Net Increase / (decrease) in cash and cash equivalents during the period	<u>741,578</u>	<u>(409,766)</u>
Cash and cash equivalents at the beginning of the period	244,161	676,103
Cash and cash equivalents at the end of the period	<u>13</u> <u>985,739</u>	<u>266,337</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

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

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1

Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 7, 2008 consequent to which Trust Deed was executed on July 14, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the 'Sindh Trusts Act, 2020' (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the Fund had been registered under the Sindh Trust Act.

1.2

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.

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 Fund is an open-ended mutual fund and has been categorised as 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on the Pakistan Stock Exchange Limited (PSX).

1.4

The Fund primarily invests in debt securities, unlisted government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.

1.5

The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2023 to the Management Company and "A+(f)" as stability rating dated March 8, 2024 to the Fund.

1.6

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 VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

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.

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

2.5 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.

2.6 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.

4	BALANCES WITH BANKS	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			------(Rupees in '000)-----	
	In current accounts		11,326	11,705
	In saving accounts	4.1	268,111	232,456
		4.2	<u>279,437</u>	<u>244,161</u>

4.1 These carry mark-up at rates ranging between 20.5% per annum (June 2023: 13.5% to 19.5% per annum).

4.2 These include balances of Rs. 11.584 million (June 30, 2023: 11.733 Rs. million) maintained with MCB Bank Limited (a related party).

5	INVESTMENTS	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			------(Rupees in '000)-----	
Investments at fair value through profit or loss				
	Government securities	5.1	7,473,309	870,674
	Listed debt securities	5.2	-	-
	Unlisted debt securities	5.3	84,130	95,091
			<u>7,557,439</u>	<u>965,765</u>
5.1	Government securities			
	- Market Treasury Bills	5.1.1	4,426,699	749,874
	- Pakistan Investment Bonds	5.1.2	1,103,694	120,800
	- Government Debt Securities	5.1.3	1,942,916	-
			<u>7,473,309</u>	<u>870,674</u>

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

5.1.1 Market Treasury Bills

Tenure	Issue Date	Face value			At March 31, 2024			Market value as a percentage of	
		At July 01, 2023	Purchased during the period	Sales / Matured during the period	At March 31, 2024	Carrying value	Market value	(Diminution) / appreciation	net assets

----- (Rupees in '000) -----

----- % -----

Market Treasury Bills

- 3 months	May 18, 2023	100,000	100,000	200,000	-	-	-	-	-	-
- 3 months	June 1, 2023	250,000	100,000	350,000	-	-	-	-	-	-
- 3 months	June 15, 2023	-	175,000	175,000	-	-	-	-	-	-
- 3 months	June 22, 2023	-	50,000	50,000	-	-	-	-	-	-
- 3 months	July 13, 2023	-	500,000	500,000	-	-	-	-	-	-
- 3 months	August 10, 2023	-	550,000	550,000	-	-	-	-	-	-
- 3 months	August 24, 2023	-	575,000	575,000	-	-	-	-	-	-
- 3 months	September 21, 2023	-	1,025,000	1,025,000	-	-	-	-	-	-
- 3 months	October 5, 2023	-	1,450,000	1,450,000	-	-	-	-	-	-
- 3 months	October 19, 2023	-	2,575,000	2,575,000	-	-	-	-	-	-
- 3 months	November 2, 2023	-	5,050,000	5,050,000	-	-	-	-	-	-
- 3 months	November 16, 2023	-	500,000	500,000	-	-	-	-	-	-
- 3 months	November 30, 2023	-	2,690,000	2,690,000	-	-	-	-	-	-
- 3 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-	-
- 3 months	December 28, 2023	-	575,000	575,000	-	-	-	-	-	-
- 3 months	January 11, 2024	-	125,000	125,000	-	-	-	-	-	-
- 3 months	January 25, 2024	-	375,000	375,000	-	-	-	-	-	-
- 3 months	February 7, 2024	-	500,000	500,000	-	-	-	-	-	-
- 3 months	February 22, 2024	-	1,225,000	500,000	725,000	706,435	706,302	(133)	10.45	9.35
- 3 months	March 7, 2024	-	375,000	375,000	-	-	-	-	-	-
- 3 months	March 21, 2024	-	500,000	500,000	-	-	-	-	-	-

Market Treasury Bills

- 6 months	June 15, 2023	-	2,270,000	2,270,000	-	-	-	-	-	-
- 6 months	October 19, 2023	-	1,300,000	1,300,000	-	-	-	-	-	-
- 6 months	November 2, 2023	-	500,000	500,000	-	-	-	-	-	-
- 6 months	November 16, 2023	-	3,600,000	3,600,000	-	-	-	-	-	-
- 6 months	November 30, 2023	-	3,300,000	3,300,000	-	-	-	-	-	-
- 6 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-	-
- 6 months	December 28, 2023	-	500,000	500,000	-	-	-	-	-	-
- 6 months	January 11, 2024	-	125,000	125,000	-	-	-	-	-	-
- 6 months	March 7, 2024	-	750,000	375,000	375,000	344,157	343,078	(1,080)	0.05	0.05

Market Treasury Bills

-12 months	July 14, 2022	-	200,000	200,000	-	-	-	-	-	-
-12 months	June 15, 2023	500,000	-	500,000	-	-	-	-	-	-
-12 months	July 13, 2023	-	4,300,000	4,272,800	27,200	25,720	25,656	(64)	0.00	0.00
-12 months	October 19, 2023	-	9,535,000	9,285,000	250,000	224,530	223,724	(806)	0.03	0.03
-12 months	November 2, 2023	-	19,376,000	17,151,500	2,224,500	1,978,512	1,976,068	(2,444)	0.29	0.26
-12 months	November 16, 2023	-	1,500,000	1,500,000	-	-	-	-	-	-
-12 months	November 30, 2023	-	3,500,000	3,500,000	-	-	-	-	-	-
-12 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-	-
-12 months	December 28, 2023	-	500,000	500,000	-	-	-	-	-	-
-12 months	January 11, 2024	-	250,000	250,000	-	-	-	-	-	-
-12 months	January 25, 2024	-	615,000	240,000	375,000	322,122	319,569	(2,553)	0.05	0.04
-12 months	March 21, 2024	-	1,500,000	500,000	1,000,000	833,498	832,302	(1,196)	0.12	0.11

As at March 31, 2024

4,434,975 4,426,699 (8,276)

As at June 30, 2023

754,029 749,874 (4,155)

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

5.1.2 Pakistan Investment Bonds

Tenure	Issue Date	Face value				At March 31, 2024			Market value as a percentage of	
		At July 01, 2023	Purchased during the period	Sales / Matured during the period	At March 31, 2024	Carrying value	Market value	(Diminution) / appreciation	net assets	total investments
Pakistan Investment Bonds										
- 2 years	February 9, 2023	-	500,000	500,000	-	-	-	-	-	-
- 2 years	April 6, 2023	-	1,223,000	1,223,000	-	-	-	-	-	-
Pakistan Investment Bonds										
- 3 years	September 8, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-
- 3 years	September 21, 2023	-	950,000	950,000	-	-	-	-	-	-
- 3 years	July 4, 2023	-	1,875,000	1,775,000	100,000	91,736	90,688	(1,048)	0.01	0.01
- 3 years	February 15, 2024	-	600,000	-	600,000	564,279	562,558	(1,722)	0.08	0.07
Pakistan Investment Bonds										
- 5 years	May 6, 2021	125,000	-	125,000	-	-	-	-	-	-
- 5 years	April 6, 2023	-	500,000	500,000	-	-	-	-	-	-
- 5 years	August 10, 2023	-	325,000	325,000	-	-	-	-	-	-
- 5 years	September 21, 2023	-	6,440,000	6,240,000	200,000	192,793	191,100	(1,693)	0.03	0.03
- 5 years	October 19, 2023	-	8,150,000	8,150,000	-	-	-	-	-	-
- 5 years	December 14, 2023	-	600,000	600,000	-	-	-	-	-	-
- 5 years	January 17, 2024	-	275,000	-	275,000	262,649	259,348	(3,301)	0.04	0.03
Pakistan Investment Bonds										
- 10 years	November 4, 2021	-	1,550,000	1,550,000	-	-	-	-	-	-
As at March 31, 2024						<u>1,111,457</u>	<u>1,103,694</u>	<u>(7,763)</u>		
As at June 30, 2023						<u>121,154</u>	<u>120,800</u>	<u>(354)</u>		

5.1.3 GOP Ijara Sukuk

Tenure	Issue Date	Face value				At March 31, 2023			Market value as a percentage of	
		At July 01, 2022	Purchased during the period	Sales / Matured during the period	At March 31, 2023	Carrying value	Market value	(Diminution) / appreciation	net assets	total investments
Government of Pakistan- Ijara Sukuk										
- 1 Year	8-Mar-23	-	225,000	225,000	-	-	-	-	-	-
- 1 Year	17-Apr-23	-	1,000,000	1,000,000	-	-	-	-	-	-
- 1 Year	20-Sep-23	-	125,000	-	125,000	125,000	125,000	-	0.02	0.02
- 1 Year	4-Dec-23	-	25,000	-	25,000	25,000	25,000	-	0.00	0.00
- 1 Year	15-Mar-24	-	26,000	4,000	22,000	18,498	18,460	(37.85)	0.00	0.00
Government of Pakistan- Ijara Sukuk										
- 3 Year	4-Dec-23	-	200,000	75,000	125,000	125,129	124,823	(306.89)	0.02	0.02
- 3 Year	24-Jan-24	-	400,000	-	400,000	400,012	401,700	1,687.70	0.06	0.05
Government of Pakistan- Ijara Sukuk										
- 5 Year	4-Dec-23	-	275,000	175,000	100,000	100,000	100,070	70.00	0.01	0.01
- 5 Year	24-Jan-24	-	1,150,000	-	1,150,000	1,147,908	1,147,863	(44.45)	0.17	0.15
As at March 31, 2024						<u>1,941,547</u>	<u>1,942,916</u>	<u>1,369</u>		
As at June 30, 2023						<u>-</u>	<u>-</u>	<u>-</u>		

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

5.2 Listed debt securities - Term Finance Certificates / Sukuks - 'at fair value through profit or loss'

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

Name of investee company	Number of Certificates					At March 31, 2024			Market value as a percentage of	
	At July 1, 2023	Purchased during the period	Matured during the period	Disposed during the period	At March 31, 2024	Carrying value	Market value	Appreciation / (diminution)	Net assets	Total investment

-----Rupees in '000----- %-----

Real Estate investment and services

Pace Pakistan Limited (15-02-08) (note 5.6)	15,000	-	-	-	15,000	74,910				
Less: Provision for impairment						(74,910)				

As at March 31, 2024

As at June 30, 2023

* Face value of the investment is Rs. 100,000

5.3 Unlisted debt securities - Term Finance Certificates - 'at fair value through profit or loss'

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			Market value as a percentage of	
	As at July 1, 2023	Purchased during the period	Matured during the period	Disposed during the period	As At March 31, 2024	Carrying value	Market value	Appreciation / (diminution)	Net assets	Total investment

----- Rupees in '000 ----- %-----

Financial Institutions

Askari Bank Limited VII - TFC (March 17, 2020)**	20	-	-	-	20	19,810	19,900	90	0.29%	0.26%
Samba Bank Limited TFC-I (March 01, 2021)*	400	400	-	400	400	39,572	39,817	245	0.59%	0.53%
Jahangir Siddiqui & Company Limited - TFC -III (July 18, 2017)	17,000	-	17,000	-	-	-	-	-	0.00%	0.00%
Bank AL-Habib Limited-TFC-II (September 30, 2021)	5,000	-	-	-	5,000	24,675	24,413	(262)	0.36%	0.32%

Construction and Material

Eden Housing Limited - Sukuk (March 31, 2008) (note 5.6)	10,415	-	-	-	10,415	10,251				
- Due but not received										
Less: Provision for impairment						(10,251)				

As at March 31, 2024

As at June 30, 2023

* Face value of this sukuk certificate is Rs.100,000 per certificate.

** Face value of this sukuk certificate is Rs.1,000,000 per certificate.

5.4 Details of non-compliant investment with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

In accordance with clause (v) of the investment criteria laid down for 'Aggressive Fixed Income Scheme' in Circular no. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at March 31, 2023, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance of the Circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer in repayment of coupon due on respective dates. The Fund holds 100% provision against such investments as enumerated below:

Category of non-compliant investment	Name of investee Company	-----Unaudited-----			
		Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of gross assets

-----Rupees in '000'----- %-----

Investment in debt securities	a) Pace Pakistan Limited (note 5.3)	74,910	74,910	-	-
	b) Eden Housing Limited (note 5.4)	10,251	10,251	-	-

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

6	PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	March 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited) ----- (Rupees in '000) -----
	Management remuneration Payable	6.1	5,438	525
	Sindh Sales Tax payable on remuneration of the Management Company	6.2	707	68
	Allocated expense payable		539	151
	Selling and marketing expenses payable		9,270	1,719
	Sales load payable (including indirect taxes)		46	337
			<u>16,000</u>	<u>2,800</u>

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 15% 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 remuneration of the management company has been charged at the rate of 13% (June 30, 2021: 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.

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

In accordance with the NBFRC 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.

8	ACCRUED AND OTHER LIABILITIES	Note	March 31, 2024 (Unaudited) ----- (Rupees in '000) -----	June 30, 2023 (Audited) ----- (Rupees in '000) -----
	Provision for federal excise duty payable on:			
	- Remuneration of the management fee	8.1	16,590	16,590
	- Sales load		4,746	4,746
	Brokerage payable		566	62
	Capital gain tax payable		1,267	2,737
	Auditors' remuneration payable		341	536
	Printing expenses payable		95	40
	Legal advisor fee payable		25	38
	Other payable		2	1
			<u>23,632</u>	<u>24,750</u>

8.1 Federal Excise Duty on remuneration of the management company and sales load

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. 0.17 per unit (June 30, 2023: Re. 0.97 per unit).

9 CONTINGENCIES AND COMMITMENTS

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

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

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.

11 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.

12 TOTAL EXPENSE RATIO

The annualized total expense ratio (TER) of the Fund based on the current period results is 2.08% (March 31, 2023: 1.40%) which includes 0.23% (March 31, 2023: 0.09%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

13 CASH AND CASH EQUIVALENTS

	----- (Unaudited) -----	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Balances with banks	279,437	117,652
Market Treasury Bills maturing within 3 months	706,302	148,685
	985,739	266,337

14 TRANSACTIONS WITH CONNECTED PERSONS / 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.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

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

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

For the nine months period ended March 31, 2024 (unaudited)							
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) -----

Associated Companies:

D.G. Khan Cement Company Limited -
Employees Provident Fund Trust

556,063 - 556,063 - 30,290 - 30,897 -

Key management personnel

61,761 1,211,350 1,245,556 27,555 3,364 69,403 72,624 1,526

Unit holders holding 10% or more units*

- 28,239,510 7,346,338 20,893,172 - 1,538,254 400,000 1,157,282

* This reflects the position of related party / connected persons status as at March 31, 2024.

For the nine months period ended March 31, 2023 (unaudited)							
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) -----

Associated Companies:

D.G. Khan Cement Company Limited -
Employees Provident Fund Trust

477,036 - - 477,036 25,985 - - 26,423

Key management personnel

4 250,145 250,148 1 0 14,119 14,144 0

Unit holders holding 10% or more units*

2,231,978 2,457,255 - 4,689,233 121,580 142,381 - 259,739

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

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

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

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Remuneration including indirect taxes	48,002	4,956
Allocated expenses	3,847	1,301
Selling and marketing expenses	17,274	3,439
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	3,243	776
CDC settlement charges	17	6
MCB Bank Limited		
Profit on bank deposits	149	71
Bank charges	18	14
Sale of Securities 1,375 m (March 31, 2023 Nil)	1,188,967	-

14.3 Amount outstanding as at period end / year end

	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Management remuneration payable	5,438	525
Sindh Sales Tax payable on remuneration of the Management Company	707	68
Allocated expenses payable	539	151
Selling and marketing expenses payable	9,270	1,719
Sales load payable (including indirect taxes)	46	337
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	444	76
Sindh Sales tax payable on remuneration of Trustee	58	10
Security deposits	200	200
MCB Bank Limited		
Bank deposits held	11,584	11,733

15 INTERIM DISTRIBUTION DURING THE PERIOD IN PIEF

----- (Unaudited) -----					
----- March 31, 2024 -----					
----- (Unaudited) -----					
	Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
Interim dividend during the period	Rs. 5.6149	December 27, 2023	613,278	183,109	796,387
Interim dividend during the period	Rs. 1.3178	February 13, 2023	73,935	116,502	190,437

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

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

16.1 Fair value hierarchy

International Financial Reporting Standard IFRS 13 - "Fair Value Measurement" requires the fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices 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).

17 GENERAL

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

17.2 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.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised 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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