

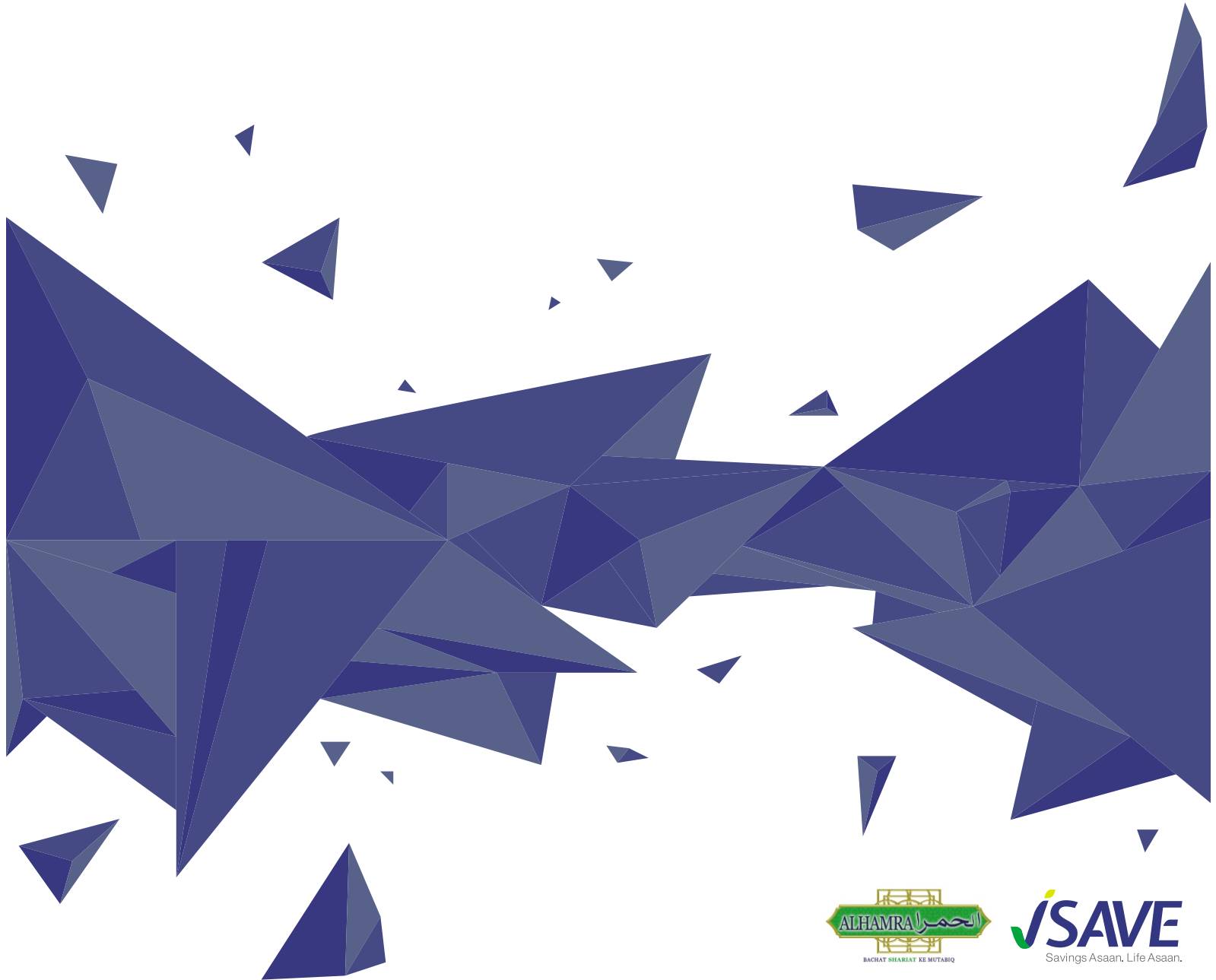


MCB FUNDS  
Investments for Life

# QUATERLY REPORT

MARCH  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



**MCB PAKISTAN STOCK MARKET FUND**

## TABLE OF CONTENTS

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1	Fund's Information	160
2	Report of the Directors of the Management Company	161
3	Condensed Interim Statement of Assets And Liabilities	171
4	Condensed Interim Income Statement (Un-audited)	172
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	173
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	174
7	Condensed Interim Cash Flow Statement ( Un-audited)	175
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	176

## FUND'S INFORMATION

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

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Stock Market 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

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### Equity Market Review

The stock market witnessed exuberance in the first nine months of fiscal year 2024, as the benchmark KSE-100 increased by 61.6%, or 25,552 points, to close at all time high of 67,005 points. The bullish momentum was on account of improvements in macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the successful completion of all IMF reviews under SBA. Moreover, the successful conclusion of elections in February 2024 brought long due clarity amongst investors. In addition, reaffirmation by the incumbent government to continue structural reforms, along with the intention to enter a longer IMF program, further uplifted sentiment. Lastly, the strength of the local currency post-crackdown on currency smuggling and hoarding, strong corporate profitability, and market expectations of monetary easing towards the end of the second half of the fiscal year, all contributed to the sustainable rally.

During 9MFY24, Foreign investors, Insurance, and Corporates were net buyers with an inflow of USD 75 million, USD 121 million and USD 31 million, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 113 million and USD 55 million, respectively. During 9MFY24, average trading volumes for KSE-All Index saw an increase of 121.8% to 452 million shares compared to about 204 million shares in the same period last year. Similarly, the average trading value during the period saw a rise of 81% over the last 9M to near USD 51 million.

Banking, Fertilizer, and E&P sector were the major contributors to the index gain adding 8,799/3,504/3,350 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring besides strong profitability. Fertilizer sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt, which would improve the sector cash flows.

### FUND PERFORMANCE

During the period, PSM generated a return of 62.08% as compared to a return of 61.64% witnessed by the KSE-100 Index. Overall equity exposure stood at 95.4% on March 31, 2024. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cements and Textile Composite Companies.

The Net Assets of the fund as at March 31, 2024 stood at Rs. 5,925 million as compared to Rs. 4,821 million as at June 30, 2023 registering an increase of 22.90%.

The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 136.5788 as compared to opening NAV of Rs. 84.2678 per unit as at June 30, 2023 registering an increase of 52.311 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

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

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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%.

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

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

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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,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
April 22, 2024



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**Manzar Mushtaq**  
Director  
April 22, 2024



## ڈائریکٹرز رپورٹ

بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آئن 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

*Mansoor 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، 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

## ڈائریکٹرز رپورٹ

### 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

پالترتیب 113 ملین ڈالر اور 55 ملین ڈالر تھی۔ KSE-All انڈیکس کے اوسط تجارتی حجم 121.8 فیصد بڑھ کر 452 ملین حصص ہو گئے جو گزشتہ سال مماثل مدت میں تقریباً 204 ملین حصص تھے۔ اسی طرح، دوران مدت اوسط تجارتی قدر گزشتہ نو ماہ کے دوران 81 فیصد بڑھ کر تقریباً 51 ملین ہو گئے۔

بینکاری، کھاد اور توانائی اور بجلی (ای اینڈ پی) کے شعبوں نے انڈیکس میں سب سے بڑا کردار ادا کیا اور پالترتیب 3/8799، 504 / 3,350 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی ہوئی کیونکہ آئی ایم ایف کے پروگرام کے حصول کے بعد اچھے منافع کی صلاحیت کے ساتھ ساتھ مقامی قرضوں کی تشکیل نو کا امکان کم ہو گیا۔ کھاد کے شعبے نے متوقع سے بہتر ڈیویڈنڈز کی بنیاد پر اچھی کارکردگی کا مظاہرہ کیا جبکہ ای اینڈ پی کی اچھی کارکردگی کی وجہ سے گیس کے گردش قرض کی ادائیگی تھی جس کی بدولت نقد کی آمدورفت میں بہتری آئے گی۔

### فنڈ کی کارکردگی

دوران مدت فنڈ کا منافع 62.08 فیصد تھا، بالمقابل KSE-100 انڈیکس کے منافع 61.64 فیصد کے۔ 31 مارچ 2024ء کو ایکویٹی میں مجموعی سرمایہ کاری 95.4 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے محتاط رہا اور بنیادی نوعیت کی تبدیلیوں کے پیش نظر سرمایہ کاری کے لائحہ عمل میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں، سیمنٹ اور ٹیکسٹائل کمپوزٹ کمپنیوں میں تھی۔ 31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 5,925 ملین روپے تھے، جو 30 جون 2023ء کی سطح 4,821 ملین روپے کے مقابلے میں 22.90 فیصد اضافہ ہے۔

31 مارچ 2024ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 136.5788 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی فی یونٹ 84.2678 روپے کے مقابلے میں 52.311 روپے فی یونٹ اضافہ ہے۔

## 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 منقذہ 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 ماحصل 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۔

### ایکوئیٹ مارکیٹ کا جائزہ

اسٹاک مارکیٹ میں مالی سال 2024ء کے پہلے نو ماہ میں جوش و خروش دیکھا گیا کیونکہ مقررہ معیار KSE-100 میں 61.6 فیصد یعنی 25,552 پوائنٹس اضافہ ہوا اور اب تک کی بلند ترین سطح 67,005 پوائنٹس تک پہنچ گیا۔ تیزی کا یہ رجحان پاکستان کے آئی ایم ایف کے نئے پروگرام میں داخل ہونے کے بعد مجموعی معاشی اشاروں میں بہتری کے باعث ممکن ہوا۔ مارکیٹ کے فریقوں نے بھی ایس بی اے کے تحت آئی ایم ایف کے تمام جائزوں کی کامیاب تکمیل کا خیر مقدم کیا۔ مزید برآں، فروری 2024ء میں انتخابات کی کامیاب تکمیل کی بدولت سرمایہ کاروں کے سامنے صورتحال واضح ہوئی جس کی بہت عرصے سے ضرورت تھی۔ علاوہ ازیں، موجودہ حکومت کا بنیادی ساخت میں اصلاحات لانے کا عزم اور طویل تر آئی ایم ایف پروگرام میں داخل ہونے کا ارادہ مزید حوصلہ افزائی کا باعث بنا ہے۔ آخری بات یہ کہ روپے کی غیر قانونی آمدورفت (اسمگلنگ) اور ذخیرہ اندوزی کے خلاف کارروائی کے بعد روپے کو حاصل ہونے والی تقویت، کارپوریٹ سطح پر اچھے منافع کی صلاحیت، اور مارکیٹ میں مالی سال کے نصف آخر کے اختتام تک مالیاتی تسہیل کی توقعات، سب نے پائیدار ترقی میں کردار ادا کیا۔

مالی سال 2024ء کے پہلے نو ماہ کے دوران مجموعی خریدار غیر ملکی سرمایہ کار، بیمہ اور کارپوریٹ شعبے تھے جنہوں نے بالترتیب 75 ملین ڈالر، 121 ملین ڈالر اور 113 ملین ڈالر کی خریداری کی۔ دوسری طرف سب سے زیادہ فروخت بینکوں اور میوچل فنڈز نے کی جو

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ 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**

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	169,159	304,260
Investments	5.	5,780,774	4,574,203
Receivable against sale of investments		44,451	90,141
Dividend and profit receivables		46,649	5,129
Advances, deposits and other receivables		19,580	18,294
<b>Total assets</b>		<b>6,060,613</b>	<b>4,992,027</b>
<b>LIABILITIES</b>			
Payable to Management Company	7	25,133	27,228
Payable to Trustee		655	556
Payable to the Securities and Exchange Commission of Pakistan	8	470	1,396
Payable against purchase of investments		36,996	70,351
Accrued expenses and other liabilities	9	71,714	71,383
Payable against redemption of units		386	386
<b>Total liabilities</b>		<b>135,354</b>	<b>171,300</b>
<b>NET ASSETS</b>		<b>5,925,259</b>	<b>4,820,727</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>5,925,259</b>	<b>4,820,727</b>
<b>Contingencies and Commitments</b>	10		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>43,383,463</b>	<b>57,207,222</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>136.5788</b>	<b>84.2678</b>

The annexed notes 1 to 14 form an integral part of these 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		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Note	----- (Rupees in '000) -----			
<b>INCOME</b>				
(Loss) / gain on sale of investments - net	1,525,888	(75,800)	336,865	(31,939)
Dividend income	303,792	438,482	117,249	104,956
Income from Government securities	-	3,677	-	-
Profit on balances with banks	20,566	28,562	6,554	6,749
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	795,403	(644,165)	(225,262)	76,148
Other income	256	251	43	88
<b>Total income</b>	<b>2,645,905</b>	<b>(248,993)</b>	<b>235,449</b>	<b>156,002</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	109,571	112,616	43,845	28,736
Sindh Sales Tax on remuneration of the Management Company	14,244	14,640	5,700	3,736
Remuneration of the Trustee	4,745	6,382	1,717	1,684
Sindh Sales Tax on remuneration of the Trustee	617	830	223	219
Annual fee of the Securities and Exchange Commission of Pakistan	3,794	1,126	1,395	287
Allocated expenses	4,677	5,631	1,423	1,437
Selling and marketing expenses	24,506	73,199	7,203	18,677
Auditors' remuneration	967	999	265	298
Securities transaction cost	26,539	24,879	6,418	8,580
Settlement and bank charges	1,920	1,981	633	624
Legal and professional charges	174	157	83	76
Fees and subscriptions	-	21	-	7
Printing and related charges	66	-	16	-
(Reversal) / provision for Sindh Workers' Welfare Fund	-	-	-	-
<b>Total expenses</b>	<b>191,820</b>	<b>242,461</b>	<b>68,921</b>	<b>64,361</b>
<b>Net (loss) / income for the period before taxation</b>	<b>2,454,085</b>	<b>(491,454)</b>	<b>166,527</b>	<b>91,640</b>
Taxation	-	-	-	-
<b>Net (loss) / income for the period</b>	<b>2,454,085</b>	<b>(491,454)</b>	<b>166,527</b>	<b>91,640</b>
<b>Earnings per unit</b>	12.			
<b>Allocation of net income for the period after taxation</b>				
Net (loss) / income for the period	2,454,085	-		
Income already paid on units redeemed	(418,859)	-		
	<u>2,035,226</u>	<u>-</u>		
<b>Accounting income available for distribution:</b>				
- Relating to capital gains	1,915,714	-		
- Excluding capital gains	119,512	-		
	<u>2,035,226</u>	<u>-</u>		

The annexed notes 1 to 14 form an integral part of these 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		Quarter ended	
	March 31,		March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
<b>Net (loss) / income for the period</b>	<b>2,454,085</b>	<b>(491,454)</b>	<b>166,527</b>	<b>91,640</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b><u>2,454,085</u></b>	<b><u>(491,454)</u></b>	<b><u>166,527</u></b>	<b><u>91,640</u></b>

The annexed notes 1 to 14 form an integral part of these 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 / (loss)	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	1,704,302	3,116,425	4,820,727	5,460,672	3,414,660	8,875,332
Issuance of 26,144,040 (2023: 14,396,835) units:				-	-	-
- Capital value (at net asset value perunit at the beginning of theperiod) at Rs.84.2678	2,203,101	-	2,203,101	1,245,382	-	1,245,382
- Element of income	970,488	-	970,488	(25,655)	-	(25,655)
	3,173,589	-	3,173,589	1,219,727	-	1,219,728
Redemption of 39,967,799 (2023: 45,280,330 ) units:						
- Capital value (at net asset value perunit at the beginning of theperiod) at Rs.84.2678	(3,367,998)	-	(3,367,998)	(3,916,924)	-	(3,916,924)
- Element of (loss) / income	(736,285)	(418,859)	(1,155,144)	128,714	-	128,714
	(4,104,283)	(418,859)	(4,523,142)	(3,788,210)	-	(3,788,210)
Total comprehensive income for the period	-	2,454,085	2,454,085	-	(491,454)	(491,454)
Net income for the period less distribution	-	2,454,085	2,454,085	-	(491,454)	(491,454)
<b>Net assets as at the end of the period</b>	773,608	5,151,651	5,925,259	2,892,189	2,923,206	5,815,395
<b>Undistributed income brought forward comprising of:</b>						
- Realised	3,539,084			4,798,062		
- Unrealised	(422,659)			(1,383,402)		
	3,116,425			3,414,660		
Accounting income available for distribution:						
- Relating to capital gains	1,915,714			-		
- Excluding capital gains	119,512			-		
	2,035,226			-		
Net loss for the period				(491,454)		
Undistributed income carried forward	5,151,651			2,923,206		
<b>Undistributed income carried forward comprising of:</b>						
- Realised	4,356,249			3,567,371		
- Unrealised	795,403			(644,165)		
	5,151,651			2,923,206		
	(Rupees)			(Rupees)		
Net assets value per unit as at beginning of theperiod	84.2678			86.5039		
Net assets value per unit as at end of the period	136.5788			81.0882		

The annexed notes 1 to 14 form an integral part of these interim financial statements.

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,	
Note	2024	2023
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	2,454,085	(491,454)
<b>Adjustments for non cash and other items:</b>		
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net	(795,403)	644,165
	<u>1,658,682</u>	<u>152,711</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	(411,169)	2,438,240
Receivable against sale of investments	45,690	114,187
Dividend and profit receivable	(41,520)	(55,618)
Advances, deposits and receivables	(1,286)	(436)
	<u>(408,284)</u>	<u>2,496,373</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to Management Company	(2,095)	(17,963)
Payable to Trustee	99	(259)
Payable to the Securities and Exchange Commission of Pakistan	(926)	(1,105)
Payable against purchase of investments	(33,355)	(100,314)
Accrued expenses and other liabilities	331	1,470
Payable against redemption of units	-	-
	<u>(35,946)</u>	<u>(118,171)</u>
<b>Net cash generated from/ (used) in operating activities</b>	<u>1,214,452</u>	<u>2,530,913</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	3,173,589	1,219,727
Amount paid on redemption of units	(4,523,142)	(3,788,210)
<b>Net cash generated from / (used) in financing activities</b>	<u>(1,349,553)</u>	<u>(2,568,483)</u>
<b>Net (Decrease) in cash and cash equivalents during the period</b>	<u>(135,102)</u>	<u>(37,570)</u>
Cash and cash equivalents at the beginning of the period	<u>304,260</u>	<u>329,797</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>169,159</u></u>	<u><u>292,227</u></u>

The annexed notes 1 to 14 form an integral part of these interim financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market 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 of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated August 15, 2001 consequent to which Trust Deed was executed on October 23, 2001 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 12, 2021 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.2 In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Management Company and AHCL no longer holds any shares in the Management Company. Consequently, members of the Management Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Management Company be changed from MCB-Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Management Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The Fund is an open end mutual Fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to invest in listed equity securities and the Fund can also invest in cash instruments and treasury bills not exceeding 90 days in maturity. Units are 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 has been categorised as "equity scheme" by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by SECP.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 06, 2023 (June 30, 2023: 'AM1' dated October 6, 2022) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2. BASIS OF PREPARATION

- 2.1 This 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;
  - 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.

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

- 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

3.2 The preparation of the 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 recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the 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	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
In current accounts	4	23,962	27,596
In savings accounts		145,197	276,664
		169,159	304,260

4.1 These carry profits at the rates at 20.50% per annum (June 30, 2023: 12.25% to 19.50%) per annum.

4.2 These include a balance of Rs.73.66 million (June 30, 2023: Rs.234) million maintained with MCB Bank Limited, a related party.

5. INVESTMENTS	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
<b>At fair value through profit or loss</b>			
Listed equity securities	5.1	5,780,774	4,574,203
Government securities	5.2	-	-
		5,780,774	4,574,203

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

## 5.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	No. of shares				Balance as at March 31, 2024			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company	
	As at July 01, 2023	Purchased during the period	Bonus/Right issue during the period	Sold during the period	As at March 31, 2024	Carrying Value	Market value as at March 31, 2024			Unrealised gain / (loss)
(Rupees in '000)										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
<b>Automobile Assembler</b>										
Honda Atlas Cars(Pakistan) Limited	-	147,008	-	147,008	-	-	-	0.00%	0.00%	
Indus Motors Company Limited	-	107,609	-	107,609	-	-	-	0.00%	0.00%	
Pak Suzuki Motors Company Limited	-	341,500	-	341,500	-	-	-	0.00%	0.00%	
								0.00%	0.00%	
<b>Automobile Parts &amp; Accessories</b>										
Agriauto Industires Limited	186,870	40,500	-	72,370	155,000	9,571	15,500	5,929	0.26%	0.43%
Atlas Battery Limited	21,863	-	-	21,863	-	-	-	-	0.00%	0.00%
Ghandhara Tyre & Rubber Company Limited	856,605	-	-	856,605	-	-	-	-	0.00%	0.00%
Panther Tyres Limited	-	715,000	-	100,000	615,000	22,999	23,665	666	0.40%	0.37%
Thal Limited *	148,900	63,000	-	211,900	-	-	-	-	0.00%	0.00%
						32,570	39,165	6,595	0.66%	0.80%
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited ****	1,300,000	450,000	-	1,750,000	-	-	-	-	0.00%	0.00%
									0.00%	0.00%
<b>Cement</b>										
Attock Cement Pakistan Limited	-	41,763	-	41,763	-	-	-	-	0.00%	0.00%
Bestway Cement Limited	-	23,500	-	23,500	-	-	-	-	0.00%	0.00%
Cherat Cement Company Limited	346,228	195,500	-	541,728	-	-	-	-	0.00%	0.00%
D.G. Khan Cement Company Limited ****	1,425,500	1,457,411	-	2,882,911	-	-	-	-	0.00%	0.00%
Fauji Cement Company Limited	38,753,160	4,646,000	-	31,398,160	12,001,000	154,328	211,698	57,370	3.57%	0.49%
Gharibwal Cement Ltd	97,665	-	-	97,665	-	-	-	-	0.00%	0.00%
Kohat Cement Company Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	455,000	761,520	-	512,784	703,736	484,098	538,344	54,246	9.09%	0.22%
Maple Leaf Cement Factory Limited	11,094,525	10,390,859	-	14,419,251	7,066,133	246,667	251,413	4,746	4.24%	0.64%
Pioneer Cement Limited	-	863,642	-	85,000	778,642	92,320	99,464	7,144	1.68%	0.34%
						977,414	1,100,918	123,505	18.58%	1.69%
<b>Chemicals</b>										
Archroma Pakistan Limited	82,487	95,700	-	3,600	174,587	84,205	72,087	(12,118)	1.22%	0.51%
Dynea Pakistan Limited	37,600	78,400	-	26,000	90,000	12,079	15,751	3,671	0.27%	0.48%
Ittehad Chemicals Limited	-	679,500	-	-	679,500	33,419	26,507	(6,912)	0.45%	0.68%
Lucky Core Industries Limited	-	65,000	-	65,000	-	-	-	-	0.00%	0.00%
Nimir Industrial Chemicals Limited	-	321,000	-	-	321,000	32,289	31,834	(455)	0.54%	0.29%
Sitara Chemical Industries	-	100,000	-	-	100,000	24,505	26,786	2,281	0.45%	0.47%
Nimir Resins Limited	-	67,823	-	67,823	-	-	-	-	0.00%	0.00%
						186,498	172,965	(13,533)	2.92%	2.43%
<b>Commercial Banks</b>										
Allied Bank Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Bank Alfalah Limited	4,019,796	8,281,677	-	6,267,712	6,033,761	331,243	315,988	(15,255)	5.33%	0.34%
Bank Al Habib Limited	740,000	250,000	-	990,000	-	-	-	-	0.00%	0.00%
Bankislami Pakistan Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Faysal Bank Limited	-	2,758,793	-	2,758,793	-	-	-	-	0.00%	0.00%
Habib Bank Limited	2,020,000	3,623,613	-	5,643,613	-	-	-	-	0.00%	0.00%
Habib Metropolitan Bank Limited	2,775,051	4,005,500	-	3,459,529	3,321,022	126,145	190,095	63,950	3.21%	0.32%
MCB Bank Limited ****	-	925,338	-	439,636	485,702	86,542	98,724	12,182	1.67%	0.04%
Meezan Bank Limited	2,009,832	3,531,021	-	4,024,853	1,516,000	217,975	323,848	105,872	5.47%	0.08%
National Bank Of Pakistan	-	1,150,000	-	-	1,150,000	46,610	43,999	(2,611)	0.74%	0.05%
United Bank Limited	1,946,167	859,820	-	1,910,987	895,000	116,401	163,141	46,740	2.75%	0.07%
						924,916	1,135,795	210,878	19.17%	0.90%
<b>Engineering</b>										
AGHA STEEL IND. LTD	-	-	-	-	-	-	-	-	0.00%	0.00%
Aisha Steel Mills Limited	5,489,567	-	-	5,489,567	-	-	-	-	0.00%	0.00%
Amreli Steels Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
International Industries Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
International Steels Limited	300,000	2,565,545	-	2,865,545	-	-	-	-	0.00%	0.00%
Mughal Iron & Steel Industries Limited	1,686,109	3,943,023	-	2,019,004	3,610,128	216,914	227,691	10,777	3.84%	1.08%
						216,914	227,691	10,777	3.84%	1.08%
<b>Fertilizer</b>										
Engro Fertilizer Limited	825,918	-	-	825,918	-	-	-	-	0.00%	0.00%
Engro Corporation Limited	445,101	25,000	-	470,101	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Company Limited	-	2,549,100	-	383,000	2,166,100	240,011	273,470	33,459	4.62%	0.17%
Fauji Fertilizer Bin Qasim Limited	14,029,024	2,687,000	-	16,311,024	405,000	10,499	11,113	614	0.19%	0.03%
						250,510	284,583	34,073	4.80%	0.20%
<b>Food &amp; Personal Care Products</b>										
Murree Brewery Company	160,761	-	-	119,700	41,061	11,908	14,843	2,935	0.25%	0.15%
Nestle Pakistan Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
AT-TAHUR LIMITED	2,486,914	25,000	-	2,511,914	-	-	-	-	0.00%	0.00%
The Organic Meat Company Limited	380,518	600,000	-	380,518	600,000	16,936	18,528	1,592	0.31%	0.40%
National Foods Limited	1,178,000	857,394	-	1,428,178	607,216	73,619	99,055	25,436	1.67%	0.26%
						102,463	132,426	29,963	2.23%	0.81%

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

Name of the investee company	No. of shares				Balance as at March 31, 2024			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company	
	As at July 01, 2023	Purchased during the period	Bonus/Right issue during the period	Sold during the period	As at March 31, 2024	Carrying Value	Market value as at March 31, 2024			Unrealised gain / (loss)
(Rupees in '000)										
(%)										
<b>Glass &amp; Ceramics</b>										
Shabbir Tiles & Ceramics Limited *	3,683,908	4,093,500	-	362,000	7,415,408	76,741	105,299	28,557	1.78%	2.27%
Tariq Glass Industries	25,863	-	-	25,863	-	-	-	-	0.00%	0.00%
						<u>76,741</u>	<u>105,299</u>	<u>28,557</u>	<u>1.78%</u>	<u>2.27%</u>
<b>Insurance</b>										
Adamjee Life Assurance Company Limited ****	101,104	-	-	101,104	-	-	-	-	0.00%	0.00%
Jubilee Life Insurance Company Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Adamjee Insurance Comapny Limited	-	1,000,000	-	100,000	900,000	31,716	30,996	(720)	0.52%	0.26%
IGI Holdings Limited	26,100	-	-	26,100	-	-	-	-	0.00%	0.00%
						<u>31,716</u>	<u>30,996</u>	<u>(720)</u>	<u>0.52%</u>	<u>0.26%</u>
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	9,725	6,880	-	16,600	5	9	9	(0)	0.00%	0.00%
Service Industries	-	-	-	-	-	-	-	-	0.00%	0.00%
						<u>9</u>	<u>9</u>	<u>(0)</u>	<u>0.00%</u>	<u>0.00%</u>
<b>Miscellaneous</b>										
Pakistan Aluminium Beverage Cans Limited	-	861,729	-	511,729	350,000	23,905	24,906	1,001	0.42%	0.10%
Shifa International Hospitals	1,438,092	225,800	-	299,500	1,364,392	170,052	188,313	18,262	3.18%	2.16%
Synthetic Products Limited	2,039,117	2,231,500	-	593,500	3,677,117	45,381	51,038	5,657	0.86%	1.84%
						<u>239,337</u>	<u>264,258</u>	<u>24,920</u>	<u>4.46%</u>	<u>4.10%</u>
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	145,684	90,828	-	186,512	50,000	82,346	126,850	44,504	2.14%	0.04%
Oil & Gas Development Company Limited	911,665	3,211,000	-	3,042,665	1,080,000	135,455	131,382	(4,073)	2.22%	0.03%
Pakistan Oilfields Limited	45,000	46,000	-	91,000	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	-	2,284,208	-	2,284,208	-	-	-	-	0.00%	0.00%
						<u>217,801</u>	<u>258,232</u>	<u>40,430</u>	<u>4.36%</u>	<u>0.07%</u>
<b>Oil And Gas Marketing Companies</b>										
Attock Petroleum Limited	-	55,000	-	55,000	-	-	-	-	0.00%	0.00%
Hi-Tech Lubricants Limited	1,316,623	-	-	1,316,623	-	-	-	-	0.00%	0.00%
Pakistan State Oil Company Limited	5,895	-	-	5,895	-	-	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Shell Pakistan Limited	-	110,000	-	110,000	-	-	-	-	0.00%	0.00%
						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Paper And Board</b>										
Century Paper & Board Mills Limited	204,590	792,500	-	847,090	150,000	4,097	4,325	227	0.07%	0.04%
Cherat Packaging Limited	3	-	-	3	-	-	-	-	0.00%	0.00%
Packages Limited	267,016	220,243	-	187,568	299,691	130,438	167,761	37,323	2.83%	0.34%
Security Papers Limited	624,001	-	-	624,001	-	-	-	-	0.00%	0.00%
						<u>134,535</u>	<u>172,086</u>	<u>37,550</u>	<u>2.90%</u>	<u>0.38%</u>
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	14,700	190,600	-	44,300	161,000	74,487	77,092	2,605	1.30%	0.16%
Agp Limited	505,718	749,073	-	159,718	1,095,073	69,588	81,276	11,688	1.37%	0.39%
Citi Pharma limited	3,087,374	4,511,659	-	3,449,033	4,150,000	97,682	96,239	(1,443)	1.62%	1.82%
Ferozsons Laboratories Limited	294,229	92,300	-	94,400	292,129	44,045	64,105	20,060	1.08%	0.67%
Glaxosmithkline Pakistan	-	400,000	-	-	400,000	33,447	33,928	481	0.57%	0.13%
Haleon Pakistan Limited	640,938	153,800	-	286,238	508,500	74,923	99,163	24,240	1.67%	0.43%
Highnoon Laboratories Limited	243,607	119,700	-	306,207	57,100	22,338	29,089	6,751	0.49%	0.11%
The Searle Company Limited	30,302	-	-	30,302	-	-	-	-	0.00%	0.00%
						<u>416,511</u>	<u>480,891</u>	<u>64,380</u>	<u>8.12%</u>	<u>3.71%</u>
<b>Power Generation &amp; Distribution</b>										
Altern Energy Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Hub Power Company Limited	2,150,000	856,000	-	1,466,000	1,540,000	117,989	186,756	68,767	3.15%	0.12%
Nishat Chunian Power Limited	-	4,838,450	-	918,450	3,920,000	102,069	102,743	674	1.73%	1.07%
						<u>220,058</u>	<u>289,499</u>	<u>69,441</u>	<u>4.89%</u>	<u>1.19%</u>
<b>Refinery</b>										
Attock Refinery Limited	-	626,000	-	516,000	110,000	31,302	42,326	11,024	0.71%	0.10%
						<u>31,302</u>	<u>42,326</u>	<u>11,024</u>	<u>0.71%</u>	<u>0.10%</u>
<b>Technology &amp; Communications</b>										
Air Link Communication Ltd	-	-	-	-	-	-	-	-	0.00%	0.00%
Hum Network Limited **	12,370,500	-	-	12,370,500	-	-	-	-	0.00%	0.00%
Octopus Digital Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Systems Limited	306,695	263,000	-	89,695	480,000	202,437	184,982	(17,455)	3.12%	0.16%
TRG Pakistan Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
						<u>202,437</u>	<u>184,982</u>	<u>(17,455)</u>	<u>3.12%</u>	<u>0.16%</u>
<b>Textile Composite</b>										
AZGARD NINE LTD	-	-	-	-	-	-	-	-	0.00%	0.00%
Gul Ahmed Textile Mills Limited	4,138,849	3,569,151	-	767,500	6,940,500	133,999	137,491	3,492	2.32%	0.94%
Interloop Limited	6,570,385	2,458,904	-	4,438,912	4,590,377	223,896	344,049	120,153	5.81%	0.33%
Kohinoor Textile Mills Limited	1,078,554	-	-	1,078,554	-	-	-	-	0.00%	0.00%
Nishat (Chunian) Limited ****	423,146	6,231,572	-	404,825	6,249,893	165,181	146,872	(18,308)	2.48%	2.60%
Nishat Mills Limited ****	805,000	2,000,695	-	851,000	1,954,695	142,038	129,650	(12,383)	2.19%	0.56%
						<u>665,113</u>	<u>758,062</u>	<u>92,954</u>	<u>12.79%</u>	<u>4.43%</u>
<b>Textile Spinning</b>										
Gadoon Textile	-	-	-	-	-	-	-	-	0.00%	0.00%
						<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>

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

Name of the investee company	No. of shares					Balance as at March 31, 2024			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2023	Purchased during the period	Bonus/Right issue during the period	Sold during the period	As at March 31, 2024	Carrying Value	Market value as at March 31, 2024	Unrealised gain / (loss)		
----- (Rupees in '000) ----- (%) -----										
<b>Tobacco</b>										
PAKISTAN TOBACCO COMPANY LIMIED	48,579	55,700	-	14,700	89,579	58,531	100,593	42,062	1.70%	0.04%
						58,531	100,593	42,062	1.70%	0.04%
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	-	7,061,000	-	7,061,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Total as at March 31, 2024 (Un-audited)</b>						<b>4,985,377</b>	<b>5,780,774</b>	<b>795,403</b>		
Total as at June 30, 2023 (Audited)						4,996,862	4,574,203	(422,659)		

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

\*\* These have a face value of Rs.1 per share.

\*\*\* These have a face value of Rs.3.5 per share.

\*\*\*\* These are related parties

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-audited) March 31, 2024	(Audited) June 30, 2023	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Number of shares) -----		----- (Rupees in '000) -----	
FAUJI CEMENT COMPANY LIMITED	10,000,000	10,000,000	176,400	117,600
UNITED BANK LIMITED	500,000	-	91,140	-
BANK ALFALAH LIMITED	-	1,000,000	-	30,440
	<b>10,500,000</b>	<b>11,000,000</b>	<b>267,540</b>	<b>148,040</b>

5.1.2 There is no change in the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2023. As at March 31, 2024, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.4.62 million (June 30, 2023: Rs.2.929 million).



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

**6 Government securities - at fair value through profit or loss**

Name of security	Issue date	Face value			Balances as at March 31, 2024	
		As at July 01, 2023	Purchased during the period	Sold / matured during the period	Carrying Value	Market Value
<b>Treasury Bills</b>						
Market Treasury Bills - 6 months	July 13, 2023	-	500,000,000	500,000,000	-	-
<b>Total as at March 31, 2024 (Un-audited)</b>					-	-
<b>Total as at June 30, 2023 (Audited)</b>					-	-

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

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

<b>7 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<b>(Un-audited) March 31, 2024</b>	<b>(Audited) June 30, 2023</b>
	----- (Rupees in '000) -----	
Management remuneration payable	15,070	8,198
Sindh Sales Tax payable on remuneration of the Management	1,959	1,066
Sales load payable	451	3
Payable against allocated expenses	450	410
Selling and marketing expenses	7,203	17,551
	<b>25,133</b>	<b>27,228</b>

7.1 The Management Company shall be entitled to an accrued remuneration equal to an amount up to 4% per annum of the average annual Net Assets of the Scheme calculated on daily basis, within allowed expense ratio limit. The remuneration is payable to the Management Company monthly in arrears.

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

7.3 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.

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

**8 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 0.095% 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.

<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>(Un-audited) March 31, 2024</b>	<b>(Audited) June 30, 2023</b>
		----- (Rupees in '000) -----	
Federal Excise Duty payable on management remuneration	9.1	54,774	54,774
Federal Excise Duty payable on sales load		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		1,924	2,051
Auditors' remuneration		605	805
Withholding tax payable		639	19
Printing and related charges payable		95	40
Payable to legal advisor		22	39
Others		-	-
		<b>71,714</b>	<b>71,383</b>

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

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- 9.1** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty 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, 2023 would have been higher by Re. 1.26 per unit (June 30, 2023: Re.0.96 per unit).

### **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at the March 31, 2024 (June 30, 2023: Nil).

### **11. TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders as reduced by capital gains (whether realized or unrealized) to its unit holders, therefore, no provision for taxation has been made in these condensed interim financial statements during the period. The Fund is also 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.

### **12. EARNINGS PER UNIT**

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

### **13. TOTAL EXPENSE RATIO**

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 4.25% (March 31, 2022: 4.28%) and this includes 0.54% (March 31, 2022: 0.30%) representing Government Levy.

### **14. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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

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

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

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

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

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

**14.1 Unit Holder's Fund**

	For the nine months ended March 31, 2024 (Un-audited)							
	As at July 01, 2023	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at 31, March 2024	As at July 01, 2023	Issued for cash / conversion in / transferred out	Redeemed / conversion out / transfer out	As at 31, March 2024
	(Number of units)		(Rupees in '000)					
<b>MCB Investment Management Limited - Management Company</b>	-	564,426	564,426	-	-	50,000	54,109	-
<b>Group / associated companies / undertakings</b>								
SYED SAVAIL MEEKAL HUSSAIN	97,462	-	-	97,462	8,213	-	-	13,311
D.G. KHAN CEMENT COMPANY LTD EMPLOYEES PROVIDENT FUND TRUST	199,265	-	199,265	-	16,792	-	19,185	-
ADAMIJEE LIFE ASSURANCE CO. LTD. (IMF)	14,524,931	-	1,079,860	13,445,071	1,223,984	-	130,000	1,836,312
<b>Directors And Key Management Personnel</b>	8,392	411,622	386,500	33,514	707	51,174	50,855	4,577
<b>Mandate under discretionary portfolio services*</b>	1,006,549	847,416	1,010,400	843,566	84,820	117,110	123,587	115,213
<b>Unit holders holding 10% or more*</b>	10,420,530	-	5,400,174	5,020,355	878,115	-	500,000	36,757,940

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

**Unit Holder's Fund**

	For the nine months ended March 31, 2023 (Un-audited)							
	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at 31, March 2023	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at 31, March 2023
	(Number of units)		(Rupees in '000)					
<b>MCB Investment Management Limited - Management Company</b>	1,044,926	1,199,781	1,610,741	633,966	90,390	100,000	145,323	51,407
<b>Group / associated companies / undertakings</b>								
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - IMF	39,875,771	-	16,753,735	23,122,035	3,449,409	-	1,357,105	1,874,924
Adamjee Life Assurance Company Limited - NUJL	-	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - DGF	19,165	-	-	19,165	1,658	-	-	1,554
Adamjee Insurance Company Limited - DGF	199,265	-	-	199,265	17,237	-	-	16,158
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	33,038	-	27,112	5,925	2,858	-	2,250	480
Asghari Beg Memorial Trust	-	-	-	-	-	-	-	-
Nasim beg	97,463	-	-	97,463	8,431	-	-	7,903
Syed Savail Meekal Hussain	-	-	-	-	-	-	-	-
<b>Directors And Key Management Personnel</b>	13,747	608,697	609,634	12,810	2,024	50,661	52,027	1,039
<b>Mandate under discretionary portfolio services*</b>	121	1,638,239	464,808	1,173,552	10	136,825	38,542	95,161
<b>Unit holders holding 10% or more*</b>	12,564,079	-	-	12,564,079	1,086,842	-	-	1,018,799

\* 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 (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**14.3 Transactions during the period:**

	(Un-audited) Nine Months ended March 31,	
	2024	2023
	----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration of the Management Company including indirect taxes	123,815	127,256
Marketing and Selling expense	24,506	73,199
Allocated Expenses	4,677	5,631
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	5,362	7,212
Central Depository Service charges	774	374
<b>MCB Bank Limited</b>		
Bank charges	28	26
Profit on balances with banks	11,639	15,234
Dividend income	4,371	-
Purchase of 925,338 (2023: 136,429 shares)	150,231	16,638
Sale of 439,636 (2023: 178,929 ) shares	69,346	22,846
<b>Adamjee Insurance Company Limited</b>		
Dividend Income	-	-
Purchase of 1,000,000 Shares (2023: Nil ) shares	35,240	-
Sale of 100,000 Shares (2023: Nil ) shares	3,681	-
<b>Adamjee Life Assurance Company Limited</b>		
Dividend Income	101	-
Purchase of Nil Shares(2023: Nil ) shares	-	-
Sale of 101,104 Shares (2023: 279,000) shares	2,431	5,391
<b>D.G. Khan Cement Company Limited</b>		
Dividend Income	-	1,320
Purchase of 1,457,411 Shares (2023: 1,579,159) shares	67,485	80,114
Sale of 2,882,911 Shares (2023: 5,627,437) shares	190,676	331,258
<b>Lalpir Power Limited</b>		
Dividend Income	-	-
Purchase of NIL Shares (2023:NIL) shares	-	-
Sale of NIL Shares (2023: Nil ) shares	-	-
<b>Nishat Mills Limited</b>		
Dividend Income	3,645	5,859
Purchase of 2,000,695 Shares (2023: 870,960) shares	153,162	52,434
Sale of 851,000 Shares (2023: 1,534,716) shares	60,247	108,335
<b>Nishat Power Limited</b>		
Dividend Income	-	-
Purchase of NIL Shares (2023: Nil ) shares	-	-
Sale of NIL shares (2023: Nil ) shares	-	-
<b>International Steels Limited</b>		
Dividend Income	3,682	-
Purchase of 2,565,545 Shares (2023: 2,082,096) shares	121,756	100,859
Sale of 2,865,545 Shares (2023: 1,389,743) shares	188,602	67,898
<b>Pakgen Power Limited</b>		
Dividend Income	-	-
Purchase of NIL Shares (2023: Nil ) shares	-	-
Sale of NIL shares (2023: Nil ) shares	-	-
<b>Atlas Battey Limited</b>		
Dividend Income	219	-
Purchase of NIL Shares (2023: Nil ) shares	-	-
Sale of 21,863 shares (2023: Nil ) shares	5,151	-

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

**14.4 Balances outstanding at period end:**

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
<b>Management Company</b>		
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration payable	15,070	8,198
Sindh sales tax payable on remuneration	1,959	1,066
Sales load payable including related taxes	451	3
Payable against allocated expense	450	410
Payable against marketing and selling expenses	7,203	17,551
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	580	492
Sindh sales tax payable on remuneration	75	64
Security deposit	500	500
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Bank balance	73,669	234,502
** Profit receivable on bank balances	773	2,830
Other receivable against collection account	(46)	-
Sales load payable	451	-
485,702 shares (2023: Nil shares)	98,724	-
<b>D.G. Khan Cement Company Limited</b>		
Nil shares (2023: 1,425,500 shares)	-	73,128
<b>Adamjee Life Assurance Company Limited</b>		
Nil shares (2023: 101,104 shares)	-	1,394
<b>Nishat Mills Limited</b>		
1,954,695 shares (2023: 805,000 shares)	129,650	45,699
<b>Atlas Battery Limited</b>		
Nil shares (2023: 21,863 shares)	-	4,469
<b>International Steels Limited</b>		
Nil shares (2023: 300,000 shares)	-	12,159
<b>Lalpir Power Limited</b>		
Nil shares (2023: Nil shares)	-	-
<b>Nishat Power Limited</b>		
Nil shares (2023: Nil shares)	-	-
<b>Pakgen Power Limited</b>		
Nil shares (2023: Nil shares)	-	-
<b>Adamjee Insurance Company Limited</b>		
900,000 shares (2023: Nil shares)	30,996	-

\*\* This represents balances held in current and in savings accounts carrying mark-up at the rate of 20.50% (2023: 12.25% - 19.50%) per annum.

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

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### 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 : those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 : those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 16 GENERAL

16.1 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.

16.2 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

### 17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statement were authorised for issue on April 22, 2024 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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