



MCB FUNDS
Investments for Life

ANNUAL REPORT 2024

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 Sifk 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 Taraqati Bank Limited Habib Bank Limited HBL Micro Finance Bank Limited National Bank of Pakistan The Bank of Khyber
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahr-e-Faisal, Karachi-75350.	
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 YEAR ENDED JUNE 30, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Enhancement Fund** accounts review for the year ended June 30, 2024.

Economy Review

Fiscal year 2024 marked a period of macroeconomic recovery for Pakistan, averting a looming default brought about by continued economic mismanagement. This turnaround was primarily attributed to Pakistan entering a new IMF program after several months of delay. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3.0 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 complete the program.

The caretaker government took office in August 2023 and immediately faced speculative pressure on the currency, causing it to spike to a record high of 307 in the interbank market. Exchange rate in informal market reached a higher of near 330 PKR/USD reflecting an increase of speculative activity and rampant uncertainty. The government took decisive steps against smuggling of dollar, abuse of Afghan Transit and illegal money dealers in September 2023, which spurred a rapid recovery in the exchange rate. This helped in improving confidence and narrower spreads in open and interbank rates. The authorities also placed mechanisms to strictly monitor exchange rate payments to manage the overall external balance. Combination of both administration measures and steps to discipline external and fiscal accounts helped restore overall stability. The USD PKR close the year at 278.3 appreciating by 2.6% since the start of the year.

Country posted a current account deficit (CAD) of USD 464 million in the first eleven months of the fiscal year 2024 (11MFY24) declining by 88% 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 11.3% increase in exports coupled with an 2.3% drop in imports led to a 17.0% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 9.4 billion as of June 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 23.9% during the fiscal year 2024 compared to 29.0% 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 reduced the policy rate by 150bps to 20.5% in the last monetary policy of the year held on June 10, 2024. The monetary policy noted a significant decline in inflation, resulting in a substantially positive real interest rate, which justifies initiating a monetary easing cycle.

The country's GDP grew by 2.4% in the financial year 2023-24 as compared to -0.2% last year. Agriculture grew by 6.3%, Services and industrial sector witnessed a paltry increase of 1.2% each. Historic high interest rates coupled with political uncertainty were the major culprits behind the subdued industrial and services output. On the fiscal side,

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

FBR tax collection increased by 29.6% in FY24 to PKR 9,285 billion, missing the target by a modest PKR 130 billion.

FUND PERFORMANCE

During the period under review, the fund generated a return of 20.39% against its benchmark return of 24.44%.

WAM of fund stood at 3.0 years. The fund was mainly invested in PIBs & GOP Ijara Sukuk.

At period-end, the fund was 30.6% invested in PIBs, 27.7% in GOP Ijara Sukuk.

The Net Assets of the fund as at June 30, 2024 stood at Rs. 5,899 million as compared to Rs.1,201 million as at June 30, 2023 registering a increase of 391.17%.

The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 54.9344 as compared to opening NAV of Rs. 54.4717 per unit as at June 30, 2023 registering an increase of Rs. 0.4627 per unit.

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 3.5% in FY25 after a disappointing performance last year where the GDP increased by only 2.4%. The outlook for industrial output is relatively optimistic with an expected growth of 4.0% compared to 1.2% last year. Macroeconomic stability, stable currency and decline in interest rates will help revive the industrial and service sector growth. Agriculture performance is likely to remain on the lower side due to high base effect.

A new staff-level loan agreement has been reached between Pakistan and the International Monetary Fund (IMF) under which the country will receive USD 7.0 billion over 37 months. The final approval of the loan will be given by the IMF Executive Board. Successful continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. However, our external position still remains precarious due to debt outflows and our inability to raise funds through international Eurobond or Sukuk. Thus, we would continue to run a sustainable current account this year to stave off external concerns. We expect a CAD of USD 1.0 billion (0.2% 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 311.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in June 2024 clocked of 12.6% compared to a high of 38.0% in May 2023. The core inflation also registered a significant slowdown, clocking at 14.1% which is a low of 23 months. The inflation reading is expected to decline to single digits in 1H FY25. Keeping in view the inflationary trends, external and fiscal position we expect interest rate to decline to 14-15% by June 25.

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

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 64.6% during FY24 to PKR 2,574 billion. Total money market funds grew by about 45.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 33.0% to PKR 629 billion while Islamic funds increased by 58.2% to PKR 679 billion. In addition, the total fixed Income funds increased by about 104.7% since June 2023 to PKR 756 billion while Equity and related funds increased by 52.3% to PKR 255 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 50.8%, followed by Income funds with 37.3% and Equity and Equity related funds having a share of 9.9% as at the end of June 30, 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.

MANAGEMENT COMPANY

On April 18, 2023, MCB Bank Limited (MCB), being the parent company of MCB-Arif Habib Savings and Investments Limited, has acquired 21,664,167 (30.09%) shares of MCB-Arif Habib Savings & Investment Limited (MCB-AH) from Arif Habib Corporation Limited (AHCL). By virtue of this transaction MCB Bank Limited's shareholding in MCB-AH has increased from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH.

Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 07, 2023 have 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 and Securities and Exchange Commission of Pakistan (SECP) has approved the change in name on August 15, 2023.

CORPORATE GOVERNANCE

The Fund is committed to implement the highest standards of corporate governance. The Board comprises of eight (8) members including the Chief Executive Officer (CEO) and has a diverse mix of gender and knowledge. The Board consists of 1 female and 7 male directors, categorized as follows:

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

- 4 Non – Executive Directors;
- 3 Independent Directors; and
- 1 Executive Director (CEO).

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Shoaib Mumtaz	Non-Executive Director	HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	HR&R* Committee Audit Committee
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	Audit Committee (Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman)
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee
8.	Mr. Khawaja Khalil Shah	Executive Director	HR&R* Committee

* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;
- b. Proper books of accounts of the fund have been maintained;
- c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

& Exchange Commission of Pakistan have been followed in the preparation of financial statements.;

- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;
- f. There are no significant doubts upon the fund's ability to continue as going concern;
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- h. The outstanding taxes, statutory charges and duties, if any, have been fully disclosed in the audited financial statements;
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- j. As at June 30, 2024, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code;
- k. The detailed pattern of shareholding as on June 30, 2024 is annexed;
- l. A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and Committees of the Board;
- m. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below are the details of committee meetings held during the year ended June 30, 2024:

1. Meeting of the Audit Committee.

During the year, four (4) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Syed Savail Meekal Hussain	4	4	4	0
2. Mr. Ahmed Jahangir	4	4	4	0
3. Mr. Manzar Mushtaq	4	4	4	0

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

2. Meeting of the Human Resource and Remuneration Committee.

During the year, two (2) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Fahd Kamal Chinoy	2	2	2	-
2. Mr. Shoaib Mumtaz	2	2	2	-
3. Mr. Ahmed Jahangir	2	2	1	1
4. Ms. Mavra Adil Khan	2	2	1	1

- n. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1.	Khawaja Khalil Shah	Chief Executive Officer	-	258.3799	-
2.	Shoaib Mumtaz	Director	4,937.0723	19,247.0737	5,806.52
3.	Muhammad Asif Mehdi Rizvi	Chief Financial & Operating Officer	8.99	8.99	-

EXTERNAL AUDITORS

The Fund's external auditor's **M/s. Yousuf Adil Chartered Accountants** have retired after completion of audit for Financial Year ended June 30, 2024. The Audit Committee has recommended re-appointment of **M/s. Yousuf Adil Chartered Accountants** as external auditors of the Fund for financial year ending June 30, 2025 and the Board has also endorsed the recommendation of the Audit Committee. **M/s. Yousuf Adil Chartered Accountants** has also expressed their willingness to act as the Fund's external auditors.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE YEAR ENDED JUNE 30, 2024**

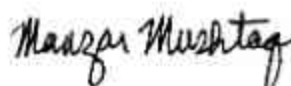
ACKNOWLEDGMENT

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
September 25, 2024



Manzar Mushtaq
Director
September 25, 2024

ڈائریکٹرز رپورٹ

1.	خولجہ خلیل شاہ	چیف ایگزیکٹو آفیسر	-	258.3799	-
2.	شعیب ممتاز	ڈائریکٹر	4,937.0723	19,247.0737	5,806.52
3.	محمد آصف مہدی رضوی	چیف فنانشل اینڈ آپریٹنگ آفیسر	8.99	8.99	-

بیرونی آڈیٹرز

فنڈ کے بیرونی آڈیٹر ایم ایس یوسف عادل چارٹرڈ اکاؤنٹنٹس 30 جون 2024 کو ختم ہونے والے مالی سال کے آڈٹ کی تکمیل کے بعد اپنا کام مکمل کر چکے ہیں۔ آڈٹ کمیٹی نے سفارش کی ہے کہ ایم ایس یوسف عادل چارٹرڈ اکاؤنٹنٹس کا 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے فنڈ کے بیرونی آڈیٹرز کے طور پر دوبارہ انتخاب کیا جائے اور بورڈ نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔ ایم ایس یوسف عادل چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے بیرونی آڈیٹرز کے طور پر کام کرنے پر آمادگی ظاہر کی ہے۔

اعتراف

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا مسلسل تعاون کا شکریہ ادا کرتا ہے۔ ڈائریکٹرز نے انتظامیہ کی ٹیم کی کوششوں کو بھی سراہا۔

ڈائریکٹرز کی جانب سے،

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

25 ستمبر 2024

خولجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

25 ستمبر 2024

ڈائریکٹرز رپورٹ

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے۔ ہر شریک کی حاضری حسب ذیل ہے۔

افراد کے نام	منعقد ہونے والی ملاقاتوں کی تعداد	ملاقاتوں کی تعداد		
		مطلوبہ حاضری	حاضری	منظور شدہ رخصت
1 سید ساویل میکال حسین	4	4	4	0
2 جناب احمد جہانگیر	4	4	4	0
3 جناب منظر مشتاق	4	4	4	0

2۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا اجلاس۔

سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے دو (2) اجلاس ہوئے۔ ہر شریک کی حاضری حسب ذیل ہے۔

افراد کے نام	منعقد ہونے والی ملاقاتوں کی تعداد	ملاقاتوں کی تعداد		
		مطلوبہ حاضری	حاضری	منظور شدہ رخصت
1 جناب فہد کمال چنائے	2	2	2	-
2 جناب شعیب ممتاز	2	2	2	-
3 جناب احمد جہانگیر	2	2	1	1
4 محترمہ ماورا عادل خان	2	2	1	1

n. فنڈ کے یونٹس میں تجارت سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرئل آڈیٹر اور ان کی شریک حیات اور نابالغ بچوں کے ذریعے کی گئی۔

سیریل نمبر	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
					(یونٹوں کی تعداد)

e. اندرونی کنٹرول کا نظام مستحکم خطوط پر اسٹوار ہے اور اسے مزید بہتر بنانے کے لیے جاری کوششوں کے ساتھ مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔

f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں قسم کے کوئی شبہات نہیں ہیں۔

g. لسٹنگ ریکو لیشن میں واضح کردہ کارپوریٹ گورننس کی بہترین رہایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے۔

h. واجب الادائیکس، قانونی چارجز اور ڈیویڈنڈز، اگر کوئی ہیں، مکمل طور پر آڈٹ شدہ مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔

i. پراویڈنٹ/گریجویٹ اور پنشن فنڈ کی سرمایہ کاری کی قدر کا بیان فنڈ پر لاگو نہیں ہوتا لیکن مینجمنٹ کمپنی پر لاگو ہوتا ہے۔ اس لیے ڈائریکٹرز کی رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے۔

j. 30 جون 2024 تک، کمپنی ڈائریکٹرز کے تربیتی پروگرام کے تقاضوں کی تعمیل کر رہی ہے، جیسا کہ کود کے ریکو لیشن نمبر 20 میں موجود ہے۔

k. 30 جون 2024 تک حصص یافتگی کا تفصیلی نمونہ منسلک ہے۔

l. بورڈ کی اپنی کارکردگی، بورڈ کے اراکین اور بورڈ کی کمیٹیوں کی سالانہ جانچ کے لیے ایک باضابطہ اور مؤثر نظام نافذ کیا گیا ہے۔

m. بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ ذیل میں سال ختمہ 30 جون 2024 ل کے دوران منعقدہ کمیٹی کے اجلاسوں کی تفصیلات درج ہیں۔

1. آڈٹ کمیٹی کا اجلاس۔

ڈائریکٹرز رپورٹ

3	جناب احمد جہانگیر	ٹان ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی آڈٹ کمیٹی
4	جناب منظر مشتاق	ٹان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5	سید سادیل میکل حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
6	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
7	محترمہ ماہر عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی

* ایچ آر اینڈ آر کا مطلب ہیومن ریسورس اور معاوضہ ہے۔

انتظامیہ کارپوریٹ گورننس کے ضابطہ میں متعین بہترین طریقوں کی دفعات کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے لیے پرعزم ہے، جس میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی واضح وضاحت کی گئی ہے۔

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ:

a. مالیاتی بیانات کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کے آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

b. فنڈ کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں۔

c. مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا باقائدگی کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ معقول اور محتاط اندازوں پر مبنی ہیں؛

d. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، ٹان بینکنگ فنانس کمپنیز (اسٹیبلیشمنٹ اینڈ ریگولیشنز) رولز، 2003، ٹان بینکنگ فنانس کمپنیز اینڈ ٹائیٹنایڈ ریگولیشن 2008، متعلقہ ٹرسٹ ڈیڈز کے تقاضے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

مینجمنٹ کمپنی

18 اپریل 2023 کو ایم سی بی-عارف حبیب سیونکس اینڈ انویسٹمنٹس لمیٹڈ (MCB-AH) کی کمپنی ایم سی بی بینک (MCB) نے عارف حبیب کارپوریشن لمیٹڈ (AHCL) سے ایم سی بی-عارف حبیب سیونکس اینڈ انویسٹمنٹس لمیٹڈ کے 21,664,167 (30.09 فیصد) حصص حاصل کر لیے ہیں۔ اس پیش رفت کے بعد MCB کی MCB-AH میں حصص یا فکلی 36,956,935 (81.42 فیصد) ہو گئی ہے اور AHCL اب MCB-AH میں حصص کا حامل نہیں ہے۔

نتیجتاً، کمپنی کے اراکین نے 07 جولائی 2023 کو منعقدہ ایک غیر معمولی جنرل میٹنگ (EOGM) میں خصوصی قرارداد کے ذریعے فیصلہ کیا کہ کمپنی کا نام ایم سی بی-عارف حبیب سیونکس اینڈ انویسٹمنٹس لمیٹڈ سے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ میں تبدیل کر دیا جائے اور سیوریٹیز ایکچینج کمیشن آف پاکستان (SECP) نے 15 اگست 2023 کو نام میں تبدیلی کی منظوری دے دی ہے۔

کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو نافذ کرنے کے لیے پرعزم ہے۔ بورڈ آف ڈائریکٹرز (8) اراکین پر مشتمل ہے جس میں چیف ایگزیکٹو آفیسر (CEO) شامل ہیں اور اس میں صنف اور علم کا متنوع امتزاج ہے۔ بورڈ (1) خاتون اور (7) حضرات ڈائریکٹرز پر مشتمل ہے، جن کی درجہ بندی درج ذیل ہے:

4۔ نان-ایگزیکٹو ڈائریکٹرز؛

3۔ خود مختار ڈائریکٹرز؛ اور

1۔ ایگزیکٹو ڈائریکٹر (CEO)۔

مندرجہ بالا تفصیلات درج ذیل ہیں:

سیریل نمبر	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
1	ہارون رشید صاحب	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2	جناب شعیب ممتاز	نان ایگزیکٹو ڈائریکٹر	* پیچ آر اینڈ آر کمیٹی

ہیں کہ 25 جون تک شرح سود 14-15 فیصد تک گر جائے گی۔

قرض ہولڈرز کے لیے، ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈز سال بھر پالیسی کی شرحوں کی بغیر کسی رکاوٹ کے آئینہ دار ہوتے رہیں گے۔ وسط سے طویل مدتی نقطہ نظر کے حامل سرمایہ کار بانڈ اور انکم فنڈز سے فائدہ اٹھا سکتے ہیں جہاں زیادہ مدت سود کی شرح کے نقطہ نظر کے تناظر میں سرمائے میں اضافے کے مواقع پیدا کرے گی۔ ہم نے انکم فنڈز میں سرکاری بانڈز شامل کیے ہیں تاکہ قریب کی مدت میں متوقع مالیاتی نرمی سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈز انڈسٹری کے خالص اثاثے مالی سال 2024 کے دوران تقریباً 64.6 فیصد بڑھ کر 2,574 بلین روپے ہو گئے۔ جون 2023 کے بعد سے کل منی مارکیٹ فنڈز میں تقریباً 45.0 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرے میں، روایتی فنڈز نے 33.0 فیصد اضافے سے بڑھ کر 629 PKR بلین ہو گئے جبکہ اسلامک فنڈز 58.2 فیصد بڑھ کر 679 PKR بلین ہو گئے۔ اس کے علاوہ، کل فکسڈ انکم فنڈز جون 2023 سے تقریباً 104.7 فیصد بڑھ کر 756 PKR بلین ہو گئے جبکہ ایکویٹی اور متعلقہ فنڈز 52.3 فیصد اضافے سے 255 PKR بلین ہو گئے۔

سیگمنٹ شیئر کے لحاظ سے، منی مارکیٹ فنڈز تقریباً 50.8 فیصد کے شیئر کے ساتھ سرفہرست تھے، اس کے بعد انکم فنڈز 37.3% کے ساتھ اور ایکویٹی اور ایکویٹی سے متعلق فنڈز کا حصہ 9.9 فیصد کے ساتھ 30 جون 2024 کا اختتام ہوا۔

میوچل فنڈ انڈسٹری آؤٹ لک

سود کی شرح میں کمی کی وجہ سے بانڈز اور ایکویٹیز دونوں اگلے سال میں اچھی کارکردگی کا مظاہرہ کریں گے۔ سال کے دوران، انکم فنڈز میں سرمایہ کاروں کی نمایاں دلچسپی پہلے ہی نظر آ رہی ہے جبکہ ایکویٹی فنڈز میں آئی ایم ایف کے نئے معاہدے کے بعد آمد کا امکان ہے۔ اس مدت کے دوران نسبتاً زیادہ شرح سود منی مارکیٹ کے فنڈز میں مسلسل بہاؤ کی حوصلہ افزائی کرے گی کیونکہ یہ مختصر مدت کے افق اور کم رسک پروفائل والے سرمایہ کاروں کے لیے مثالی ہیں۔

ہمارے کام بغیر کسی رکاوٹ کے رہے اور ڈیجیٹل رسائی اور آن لائن کسٹمرز کے تجربے میں مسابقتی برتری کے پیش نظر، ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد کے فوائد حاصل کرنے کے لیے تیار ہیں۔

30 جون 2023 اوپننگ نیٹ امایش (NAV) کی قیمت فی یونٹ 54.4717 روپے تھی جب کہ 30 جون 2024 کو یہ فی یونٹ 54.9344 روپے رہی جو 0.4627 روپے فی یونٹ کے اضافے کو ظاہر کرتی ہے۔

معیشیت اور مارکیٹ - مستقبل کا آؤٹ لک

پاکستان کی جی ڈی پی گزشتہ سال کی مایوس کن کارکردگی جہاں جی ڈی پی میں صرف 2.4 فیصد اضافہ ہوا تھا اس سال FY24 میں 3.5 فیصد تک واپس آنے کی توقع ہے۔ گزشتہ سال 1.2 فیصد کے مقابلے میں 4.0 فیصد کی متوقع نمو کے ساتھ صنعتی پیداوار کے لیے آؤٹ لک نسبتاً پر امید ہے۔ معاشی استحکام، مستحکم کرنسی اور شرح سود میں کمی سے صنعتی اور سروس سیکٹر کی نمو کو بحال کرنے میں مدد ملے گی۔ اعلیٰ بنیاد کے اثر کی وجہ سے زراعت کی کارکردگی چلی طرف رہنے کا امکان ہے۔

پاکستان اور انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے درمیان عملے کی سطح پر قرض کا نیا معاہدہ طے پا گیا ہے جس کے تحت ملک کو 37 ماہ کے دوران 7.0 بلین امریکی ڈالر ملیں گے۔ قرض کی حتمی منظوری آئی ایم ایف کا ایگزیکٹو بورڈ دے گا۔ آئی ایم ایف پروگرام کا کامیاب تسلسل ایک اہم مثبت ہے کیونکہ یہ ہمیں دو طرفہ اور کثیر جہتی ذرائع سے فنڈنگ حاصل کرنے کی اجازت دے گا۔ تاہم، قرضوں کے اخراج اور بین الاقوامی یورو بانڈ یا سکوک کے ذریعے فنڈز اکٹھا کرنے میں ہماری ناکامی کی وجہ سے ہماری بیرونی پوزیشن اب بھی غیر یقینی ہے۔ اس طرح، ہم بیرونی خدشات کو دور کرنے کے لیے اس سال ایک پائیدار کرنٹ اکاؤنٹ چلاتے رہیں گے۔ ہمیں مالی سال 25 میں 1.0 USD بلین (GDP کا 0.2%) کی CAD کی توقع ہے کیونکہ IMF کی چھتری کے تحت استحکام کی پالیسی جاری رہنے کا امکان ہے۔

PKR USD کے مستحکم رہنے کی توقع ہے کیونکہ حکومت برآمدات اور ترسیلات زر میں بحالی کی پشت پر کرنٹ اکاؤنٹ خسارے کو بہتر بنانے پر توجہ دے رہی ہے۔ آئی ایم ایف کے نئے پروگرام میں داخلے سے بیرونی فنڈنگ کی نمائش میں بھی اضافہ ہوگا۔ ہمیں توقع ہے کہ PKR/USD مالی سال کو 311 PKR پر بند کرے گا۔

بنیادی اثر اور نسبتاً مستحکم کرنسی کی وجہ سے افراط زر کی شرح میں کمی آنا شروع ہو گئی ہے۔ جون 2024 میں ہیڈ لائن افراط زر کی تعداد مئی 2023 میں 38.0 فیصد کی بلند ترین سطح کے مقابلے میں 12.6 فیصد تک پہنچ گئی۔ بنیادی افراط زر میں بھی نمایاں کمی درج کی گئی، جو 14.1 فیصد پر پہنچ گئی جو کہ 23 ماہ کی کم ترین سطح ہے۔ 1HFY25 میں افراط زر کی ریڈنگ سنگل ہندسوں تک گرنے کی توقع ہے۔ افراط زر کے رجحانات، بیرونی اور مالیاتی پوزیشن کو مد نظر رکھتے ہوئے ہم توقع کرتے

مقابلے میں ملک کی بیرونی صورتحال میں بہتری کو ظاہر کرتے ہیں۔ یہ آئی ایم ایف، دوست ممالک اور کثیر جہتی ذرائع سے آنے والے بہاؤ کی وجہ سے تھا۔

مالی سال 2024 کے دوران CPI کی طرف سے پیش کردہ ہیڈ لائن افراط زر کی اوسط 23.9 فیصد رہی جو گزشتہ سال 29.0 فیصد تھی۔ افراط زر کی شرح بلندی پر رہی کیونکہ سابقہ ادوار میں کرنسی کی قدر میں زبردست کمی کی وجہ سے توانائی اور خوراک کی قیمتوں میں اضافہ ہوا۔ حکومت نے آئی ایم ایف کی شرائط پر عمل کرنے کے لیے بجلی کے بنیادی میٹرو اور گیس کی قیمتوں میں بھی اضافہ کیا، جس سے مہنگائی کا دباؤ مزید بڑھ گیا۔ اسٹیٹ بینک نے 10 جون 2024 کو منعقدہ سال کی آخری مانیٹری پالیسی میں پالیسی ریٹ کو 150bps سے کم کر کے 20.5 فیصد کر دیا۔ مانیٹری پالیسی نے افراط زر میں نمایاں کمی کو نوٹ کیا، جس کے نتیجے میں کافی حد تک مثبت حقیقی سود کی شرح ہوئی، جو مانیٹری سائیکل شروع کرنے کا جواز فراہم کرتی ہے۔

مالی سال 2023-24 میں ملک کی جی ڈی پی میں گزشتہ سال -0.2 فیصد کے مقابلے میں 2.4 فیصد اضافہ ہوا۔ زراعت میں 6.3 فیصد اضافہ ہوا، خدمات اور صنعتی شعبے میں ہر ایک میں 1.2 فیصد کا معمولی اضافہ ہوا۔ دبے ہوئے صنعتی اور خدمات کی پیداوار کے پیچھے سیاسی غیر یقینی صورتحال کے ساتھ تاریخی بلند شرح سود سب سے بڑے مجرم تھے۔ مالیاتی پہلو پر، FBR ٹیکس وصولی مالی سال 24 میں 29.6 فیصد بڑھ کر 9,285 بلین روپے تک پہنچ گئی، جس سے ہدف میں 130 بلین روپے کی معمولی کمی واقع ہوئی۔

فنز کی کارکردگی

زیر جائزہ مدت کے دوران، فنڈ نے 24.44 فیصد بینچ مارک ریٹرن کے مقابلے میں 20.39 فیصد ریٹرن دیا۔

فنز کا WAM 3.0 سال رہا۔ فنڈ بنیادی طور پر پی آئی بیس اور جی او پیس اجارا سکوک میں لگایا گیا تھا۔

مدت کے اختتام پر فنڈ کی سرمایہ کاری پی آئی بیس میں 30.6 فیصد، جی او پیس اجارہ سکوک میں 27.7 فیصد کی گئی۔

30 جون 2023 تک فنڈ کے خالص اثاثے 1,201 ملین روپے تھے جب کہ 30 جون 2024 کو یہ 5,899 ملین روپے رہے جو 391.17 فیصد کے اضافے کو ظاہر کرتے ہیں۔

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے پاکستان انکم انہانسمنٹ فنڈ کے 30 جون 2024 کو ختم ہونے والے سال کے اکاؤنٹس کا جائزہ پیش کرنے پر خوشی ہے۔

معیشت کا جائزہ

مالی سال 2024 پاکستان کے لیے میکرو اکنامک بحالی کا ایک دور تھا، جس نے مسلسل معاشی بدانتظامی کی وجہ سے ہونے والے ڈیفالٹ کو روک دیا۔ یہ تبدیلی بنیادی طور پر پاکستان کے کئی ماہ کی تاخیر کے بعد آئی ایم ایف کے نئے پروگرام میں داخل ہونے کی وجہ سے تھی۔ حکومت نے 23 جون میں IMF سے 3.0 USD بلین کی انتہائی ضروری اسٹینڈ بائی آرینجمنٹ (SBA) کی سہولت حاصل کی، اور دوست ممالک سے بروقت رول اوور حاصل کرنے میں کامیاب ہوئی۔ اس نے آئی ایم ایف کے اہداف کی تعمیل کرنے کے لیے غیر متزلزل عزم کا بھی اظہار کیا اور اس کے نتیجے میں حکومت نے اس پروگرام کو کامیابی سے مکمل کر لیا۔

نگراں حکومت نے اگست 2023 میں اقتدار سنبھالا اور فوری طور پر کرنسی پر قیاس آرائی کے دباؤ کا سامنا کرنا پڑا، جس کی وجہ سے یہ انٹرینک مارکیٹ میں 307 کی بلند ترین سطح پر پہنچ گئی۔ غیر رسمی مارکیٹ میں زر مبادلہ کی شرح 330 USD / PKR کے قریب پہنچ گئی جو قیاس آرائیوں کی سرگرمیوں میں اضافے اور غیر یقینی صورتحال کی عکاسی کرتی ہے۔ حکومت نے ستمبر 2023 میں ڈالر کی اسمگلنگ، افغان ٹرانزٹ کے غلط استعمال اور غیر قانونی کرنسی ڈیلرز کے خلاف فیصلہ کن اقدامات کیے، جس سے شرح مبادلہ میں تیزی سے بحالی ہوئی۔ اس سے اعتماد کو بہتر بنانے میں مدد ملی اور اوپن اور انٹرینک رس میں اسپرڈ کو کم کیا گیا۔ حکام نے مجموعی بیرونی توازن کو منظم کرنے کے لیے شرح مبادلہ کی ادائیگیوں کی سختی سے نگرانی کرنے کے لیے میکانزم بھی بنائے۔ انتظامیہ کے اقدامات اور بیرونی اور مالی کھاتوں کے نظم و ضبط کے اقدامات دونوں کے امتزاج نے مجموعی استحکام کو بحال کرنے میں مدد کی۔ PKR USD سال کے آغاز سے 2.6 فیصد اضافے کے ساتھ 278.3 پر سال کا اختتام ہوا۔

ملک نے مالی سال 2024 (11MFY24) کے پہلے گیارہ مہینوں میں 464 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو گزشتہ سال کی اسی مدت میں 3.8 USD بلین کے خسارے کے مقابلے میں 88 فیصد کم ہے۔ تجارتی خسارہ کم ہوتا CAD کو بہتر بنانے میں اہم کردار ادا کرنے والا تھا کیونکہ برآمدات میں 11.3 فیصد اضافہ اور درآمدات میں 2.3 فیصد کمی سے تجارتی خسارے میں 17.0 فیصد کمی واقع ہوئی۔ جون 2024 تک اسٹیٹ بینک کے زرمبادلہ کے ذخائر بڑھ کر 9.4 بلین امریکی ڈالر ہو گئے جو کہ گزشتہ مالی سال کے اختتام پر 4.4 بلین امریکی ڈالر کے

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2024

Fund Type and Category

Pakistan Income Enhancement Fund — (PIEF) is an open-end fund which comes under aggressive income scheme. This fund may invest in bonds, money market placements, certificates of deposits, certificates of Musharikas, Commercial Papers, TFCs/Sukuks and debt securities issued by the Government of Pakistan as well as Reverse Repurchase transactions (Reverse-REPOs) against government securities with at least 10% of the net assets shall be invested in cash and/or near cash instruments which include cash in bank account (excluding TDRs), Treasury bills not exceeding 90 days maturity;

Fund Benchmark

The benchmark for PIEF is One (1) year KIBOR rates.

Investment Objective

The objective of the fund is to deliver return from aggressive investment strategy in debt and fixed income market

Manager's Review

During the period under review, the fund generated a return of 20.39% against its benchmark return of 24.44%. WAM of fund stood at 3 years. At period-end, the fund was 30.6% invested in PIBs, 27.7% in GOP Ijara Sukuk, and 15.1% in T-Bills.

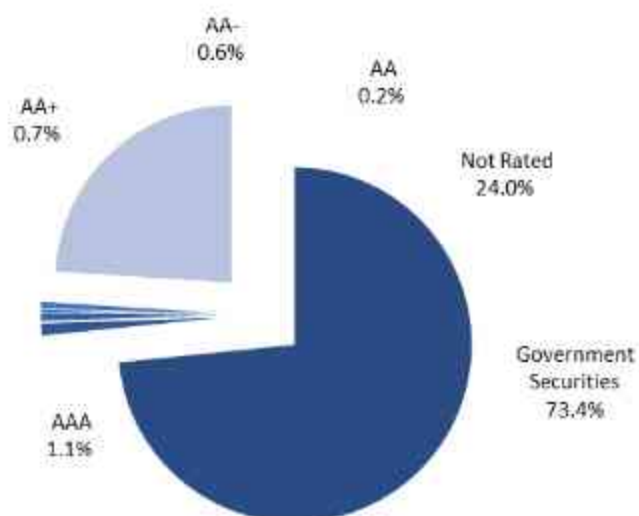
The Net Assets of the fund as at June 30, 2024 stood at Rs. 5,899 million as compared to Rs. 1,201 million as at June 30, 2023 registering an increase of 391.17%. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 54.9344 as compared to opening NAV of Rs. 54.4717 per unit as at June 30, 2023 registering an increase of Rs. 0.4627 per unit.

Asset Allocation as on June 30, 2024 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-24
Others including receivables	24.0%
PIBs	30.6%
GOP Ijara Sukuk	27.7%
T-Bills	15.1%
Cash	1.4%
TFCs / Sukuks	1.2%

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2024

Asset Quality as of June 30, 2024 (% of total assets)



Mr. Saad Ahmed
Fund Manager

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN INCOME ENHANCEMENT FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Income Enhancement Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 5, 2024



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

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

Tel: +92 (0) 21-3454 6494-7
Fax: +92 (0) 21- 3454 1314
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF PAKISTAN INCOME ENHANCEMENT FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Pakistan Income Enhancement Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of other comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statements, including a material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and MCB Investment Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	Valuation and existence of investments As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 5,237 million as at June 30, 2024, consisting of government securities and term finance certificates which represent a significant item on the statement of assets and liabilities of the Fund.	We performed the following procedures during our audit of investments: <ul style="list-style-type: none">independently tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;independently matched the number of term finance certificates and listed GOP ijara sukuku held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;

Independent Consultant Firm is
Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How the matter was addressed in our audit
	We have identified the existence and valuation as the significant areas during our audit of investment.	<ul style="list-style-type: none">independently matched government securities held by the Fund with the securities appearing in the Investors' Portfolio Securities Account Statement;

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management Company and Board of Directors of the Management Company for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.



Independent Chartered Accountant, Firm ID
DIN/010, Taxline Tally/010/010/010

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



Yousuf Adil
Chartered Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other Matter Paragraph

The annual financial statement of the Fund for the year ended June 30, 2023 were audited by another firm of chartered accountants, whose audit report dated September 22, 2023, expressed an unmodified opinion respectively.

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


Chartered Accountants

Place: Karachi

Date: October 02, 2024

UDIN: AR202410057LFDzCi0m8

Independent Chartered Firm to
Savanta Source Technologies Limited

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
ASSETS			
Bank balances	4	101,340	244,161
Investments	5	5,237,393	965,765
Profit receivable	6	257,689	13,794
Advances, deposits, prepayments and other receivable	7	6,224	5,040
Receivable against sale of investment		1,412,666	-
Receivable from the National Clearing Company of Pakistan Limited		4,035	2,181
Total assets		7,019,347	1,230,941
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	8	11,885	2,800
Payable to Central Depository Company of Pakistan Limited - Trustee	9	428	86
Payable to the Securities and Exchange Commission of Pakistan	10	379	245
Payable against redemption of units		13,680	2,079
Payable against purchase of Investments		1,056,777	-
Dividend payable		2	-
Accrued expenses and other liabilities	11	37,029	24,751
Total liabilities		1,120,180	29,961
NET ASSETS		5,899,167	1,200,980
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		5,899,167	1,200,980
CONTINGENCIES AND COMMITMENTS			
	12	(Number of units)	
NUMBER OF UNITS IN ISSUE		107,385,628	22,047,796
(Rupees)			
NET ASSET VALUE PER UNIT		54.9344	54.4717

The annexed notes from 1 to 28 form an integral part of these financial statements.

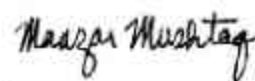
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
Income from government securities		1,008,977	145,459
Income from term finance certificates		19,823	32,075
Profit on bank deposits		87,495	40,440
Capital (loss) / gain on sale of investments - net		(59,352)	801
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - net	5.5	6,714	(6,511)
Other income		644	264
Total income		1,064,301	212,528
EXPENSES			
Remuneration of MCB Investment Management Limited - Management Company	8.1	59,840	6,023
Sindh Sales Tax on remuneration of Management Company	8.2	7,779	783
Allocated expenses	8.3	5,089	1,766
Selling and marketing expenses	8.4	22,208	5,158
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	4,037	919
Sindh Sales Tax on remuneration of Trustee	9.2	525	120
Securities and Exchange Commission of Pakistan fee	10	4,032	245
Brokerage and settlement charges		2,615	719
Fees and subscription		844	788
Legal and professional charges		191	174
Auditors' remuneration	13	812	874
Bank charges		1,217	370
Other expenses		33	40
Total expenses		109,222	17,979
Net income before taxation		955,079	194,549
Taxation	14	-	-
Net income after taxation		955,079	194,549
Allocation of net income for the year:			
Net income for the year after taxation		955,079	194,549
Income already paid on units redeemed		(444,158)	(73,334)
		510,921	121,215
Accounting income available for distribution			
Relating to capital gains		-	-
Excluding capital gains		510,921	121,215
		510,921	121,215
Earnings per unit	3.10		

The annexed notes from 1 to 28 form an integral part of these financial statements.

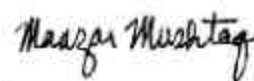
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----	
Net income for the year after taxation	955,079	194,549
Other comprehensive income	-	-
Total comprehensive income for the year	955,079	194,549

The annexed notes from 1 to 28 form an integral part of these financial statements.

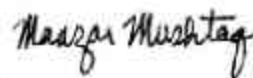
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2024

Note	For the year ended June 30,					
	2024			2023		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at beginning of the year	1,091,607	109,374	1,200,980	766,138	104,220	870,358
Issue of 516,281,375 units (2023: 43,165,337 units)						
- Capital value (at net asset value per unit at the beginning of the year)	28,122,724	-	28,122,724	2,337,731	-	2,337,731
- Element of income	1,545,428	-	1,545,428	144,844	-	144,844
	29,668,152	-	29,668,152	2,482,575	-	2,482,575
Redemption of 430,943,543 units (2023: 37,188,377 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(23,474,227)	-	(23,474,227)	(2,014,033)	-	(2,014,033)
- Amount paid out of element of income	(689,278)	(444,158)	(1,133,436)	(88,045)	(73,334)	(161,379)
Relating to 'Net income for the year after taxation'	(24,163,505)	(444,158)	(24,607,663)	(2,102,078)	(73,334)	(2,175,412)
Total comprehensive income for the year	-	955,079	955,079	-	194,549	194,549
Interim distribution for the year	(855,498)	(461,883)	(1,317,381)	(55,028)	(116,061)	(171,089)
Total distributions during the year	(855,498)	493,196	(362,302)	(55,028)	78,488	(171,089)
Net assets at end of the year	5,740,756	158,412	5,899,167	1,091,607	109,374	1,200,980
Undistributed income brought forward						
- Realised		115,885			102,893	
- Unrealised		(6,511)			1,327	
		109,374			104,220	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		510,921			121,215	
		510,921			121,215	
Distributions during the year		(461,883)			(116,061)	
Undistributed income carried forward		158,412			109,374	
Undistributed income carried forward:						
- Realised		151,698			115,885	
- Unrealised		6,714			(6,511)	
		158,412			109,374	
		(Rupees)			(Rupees)	
Net asset value per unit at beginning of the year		54.4717			54.1576	
Net asset value per unit at end of the year		54.9344			54.4717	

The annexed notes from 1 to 28 form an integral part of these financial statements.

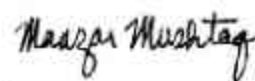
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	955,079	194,549
Adjustments for non cash and other items:		
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss - net	(6,714)	6,511
	948,365	201,060
(Increase) / decrease in assets		
Investments - net	(4,960,359)	(431,554)
Profit receivable	(243,895)	906
Receivable against margin trading system	-	1
Advances, deposit and prepayments	(1,184)	(291)
Receivable from the National Clearing Company of Pakistan Limited	(1,854)	-
	(5,207,292)	(430,938)
Increase / (decrease) in liabilities		
Payable to MCB Investment Management Limited - Management Company	9,085	(1,004)
Payable to Central Depository Company of Pakistan Limited - Trustee	342	26
Payable to the Securities and Exchange Commission of Pakistan	134	32
Payable against redemption of units	11,601	-
Accrued expenses and other liabilities	12,280	2,364
	33,442	1,418
Net cash used in operating activities	(4,225,485)	(228,460)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution made during the year	(461,883)	(116,061)
Amount received against issuance of units	28,812,654	2,427,547
Amount paid against redemption of units	(24,607,663)	(2,175,412)
Net cash generated from financing activities	3,743,108	136,074
Net decrease in cash and cash equivalents during the year	(482,377)	(92,386)
Cash and cash equivalents at beginning of the year	583,717	676,103
Cash and cash equivalents at end of the year	15 101,340	583,717

The annexed notes from 1 to 28 form an integral part of these financial statements.

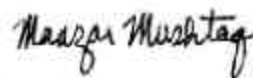
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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 Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 07, 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 Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, LI Chundrigar Road, Karachi, Pakistan.
- 1.3 In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 07, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited.
- 1.4 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 06, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are listed on the Pakistan Stock Exchange Limited (PSX).
- 1.5 The Fund primarily invests in debt securities, government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.
- 1.6 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 07, 2024 to the Fund.
- 1.7 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) 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 NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, 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 New amendments that are effective for the year ended June 30, 2024

The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Funds operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

2.3 Standard and amendments to IFRS that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments and standards are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.3)
- Taxation (notes 3.4 and 14)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and Commitments (note 12)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

2.6 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

3.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at rates quoted on Pakistan Stock Exchange (PSX).

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

3.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading) or the Fund has opted to measure them at fair value through profit or loss.

3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.4 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 ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the unit holders during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in term finance certificates / sukus, and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.9 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee fee and fee of SECP are recognised in the income statement on an accrual basis.

3.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

	Note	June 30, 2024 (Rupees in '000)	June 30, 2023
4. BANK BALANCES			
In current accounts	4.1	6,403	11,705
In savings accounts	4.2	94,937	232,456
		101,340	244,161

4.1 These include a balance of Rs. 6.38 million (2023: Rs. 11.68 million) held with MCB Bank Limited, a related party.

4.2 These carry profit at rates ranging between 19% to 20.5% per annum (2023: 13.50% to 19.50% per annum). These include balances of Rs. 7.26 million (2023: Rs. 11.733 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 20.50% per annum (2023: 19.50% per annum).

	Note	June 30, 2024 (Rupees in '000)	June 30, 2023
5. INVESTMENTS			
Investments at fair value through profit or loss:			
Government securities	5.1	5,152,958	870,674
Term Finance Certificates - Listed Securities	5.2	-	-
Term Finance Certificates - Unlisted Securities	5.3	84,435	95,091
		5,237,393	965,765

5.1 Government securities:

Market treasury bills	5.1.1	1,057,758	749,674
Pakistan investment bonds	5.1.2	602,646	-
Pakistan investment bonds - Floating Rate Bond	5.1.3	1,545,280	120,800
Listed GOP - Ijara Sukuk	5.1.4	1,572,159	-
Unlisted GOP - Ijara Sukuk	5.1.4	375,115	-
		5,152,958	870,674

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

5.1.1 Market Treasury Bills

Tenure	Issue Date	Face value				As at June 30, 2024			Market value as a percentage of Net assets	Market value as a percentage of Total Investments
		As at July 01, 2023	Purchased during the year	Sold / Matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised loss		
(Rupees in '000)										
Market Treasury Bills										
- 3 months	May 18, 2023	100,000	100,000	200,000	-	-	-	-	-	-
- 3 months	June 01, 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 05, 2023	-	1,450,000	1,450,000	-	-	-	-	-	-
- 3 months	October 19, 2023	-	775,000	775,000	-	-	-	-	-	-
- 3 months	November 02, 2023	-	5,050,000	5,050,000	-	-	-	-	-	-
- 3 months	November 18, 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 07, 2024	-	500,000	500,000	-	-	-	-	-	-
- 3 months	February 22, 2024	-	1,225,000	1,225,000	-	-	-	-	-	-
- 3 months	March 07, 2024	-	375,000	375,000	-	-	-	-	-	-
- 3 months	March 21, 2024	-	1,000,000	1,000,000	-	-	-	-	-	-
- 3 months	April 04, 2024	-	1,075,000	1,075,000	-	-	-	-	-	-
- 3 months	April 18, 2024	-	450,000	450,000	-	-	-	-	-	-
- 3 months	May 02, 2024	-	1,000,000	1,000,000	-	-	-	-	-	-
- 3 months	May 16, 2024	-	500,000	500,000	-	-	-	-	-	-
- 3 months	May 30, 2024	-	500,000	500,000	-	-	-	-	-	-
- 3 months	June 13, 2024	-	500,000	500,000	-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Tenure	Issue Date	Face value					As at June 30, 2024			Market value as a percentage of Net assets	Market value as a percentage of Total Investments
		As at July 01, 2023	Purchased during the year	Sold / Matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised loss			
(Rupees in '000)											
- 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 02, 2023	-	500,000	500,000	-	-	-	-	-	-	
- 6 months	November 16, 2023	-	3,600,000	3,600,000	-	-	-	-	-	-	
- 6 months	November 30, 2023	-	2,300,000	2,300,000	-	-	-	-	-	-	
- 6 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-	-	
- 6 months	December 28, 2023	-	2,100,000	2,100,000	-	-	-	-	-	-	
- 6 months	January 11, 2024	-	125,000	125,000	-	-	-	-	-	-	
- 6 months	March 07, 2024	-	750,000	750,000	-	-	-	-	-	-	
- 6 months	May 02, 2024	-	500,000	500,000	-	-	-	-	-	-	
- 6 months	May 30, 2024	-	500,000	500,000	-	-	-	-	-	-	
- 6 months	June 13, 2024	-	1,600,000	1,600,000	-	-	-	-	-	-	
- 12 months	July 14, 2022	-	200,000	200,000	-	-	-	-	-	-	
- 12 months	June 15, 2023	500,000	1,000,000	1,500,000	-	-	-	-	-	-	
- 12 months	July 13, 2023	-	5,100,000	5,100,000	-	-	-	-	-	-	
- 12 months	October 19, 2023	-	11,335,000	11,335,000	-	-	-	-	-	-	
- 12 months*	November 02, 2023	-	29,696,000	29,695,500	500	469	468	(1)	0.01	0.01	
- 12 months	November 16, 2023	-	1,500,000	1,500,000	-	-	-	-	-	-	
- 12 months	November 30, 2023	-	4,500,000	4,500,000	-	-	-	-	-	-	
- 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	-	2,740,000	2,365,000	375,000	337,328	337,393	65	5.72	6.44	
- 12 months	February 05, 2024	-	200,000	200,000	-	-	-	-	-	-	
- 12 months	March 21, 2024	-	3,075,000	3,075,000	-	-	-	-	-	-	
- 12 months	April 04, 2024	-	4,000,000	4,000,000	-	-	-	-	-	-	
- 12 months*	May 02, 2024	-	6,505,000	5,869,250	835,750	720,090	719,897	(193)	12.20	13.75	
- 12 months	May 16, 2024	-	2,000,000	2,000,000	-	-	-	-	-	-	
- 12 months	May 30, 2024	-	2,800,000	2,800,000	-	-	-	-	-	-	
- 12 months	June 13, 2024	-	500,000	500,000	-	-	-	-	-	-	
As at June 30, 2024						1,057,888	1,057,758	(130)			
As at June 30, 2023						754,029	749,874	(4,155)			

* These carry effective yield of ranging between 22.40% to 23.39% (2023: Nil) per annum.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

5.1.2 Pakistan Investments Bonds

Tenure	Issue Date	Face value				As at June 30, 2024			Market value as a percentage of Net assets	Market value as a percentage of Total Investments
		As at July 01, 2023	Purchased during the year	Sold / Matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised loss		
***** (Rupees in '000) ***** % *****										
Pakistan Investment Bonds - 3 Years*	July 04, 2023	-	1,875,000	1,775,000	100,000	92,649	91,898	(751)	1.58	1.75
Pakistan Investment Bonds - 3 Years*	February 15, 2024	-	600,000	260,000	340,000	321,582	321,215	(367)	5.45	6.13
Pakistan Investment Bonds - 5 Years*	January 17, 2024	-	475,000	275,000	200,000	191,657	189,533	(2,124)	3.21	3.82
As at June 30, 2024						605,888	602,646	(3,242)		
As at June 30, 2023						-	-	-		

* These carry effective yield of ranging between 22.40% to 23.39% (2023: Nil) per annum.

5.1.3 Pakistan Investments Bonds - Floating Rate Bond

Tenure	Issue Date	Face value			As at June 30, 2024			Market value as a percentage of Net assets	Market value as a percentage of Total Investments
		As at July 01, 2023	Purchased during the year	Sold / Matured during the year	As at June 30, 2024	Carrying value	Market value		
(Rupees in '000)									
Pakistan Investment Bonds - 2 Years	February 09, 2023	-	500,000	500,000	-	-	-	-	-
Pakistan Investment Bonds - 2 Years	April 06, 2023	-	1,223,000	1,223,000	-	-	-	-	-
Pakistan Investment Bonds - 3 Years	September 08, 2022	-	950,000	950,000	-	-	-	-	-
Pakistan Investment Bonds - 3 Years	September 21, 2023	-	1,000,000	1,000,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	May 06, 2021	125,000	-	125,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	April 06, 2023	-	500,000	500,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	August 10, 2023	-	325,000	325,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	September 21, 2023	-	7,440,000	7,440,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	October 19, 2023	-	8,550,000	8,550,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	December 14, 2023	-	600,000	600,000	-	-	-	-	-
Pakistan Investment Bonds - 5 Years*	April 18, 2024	-	7,100,000	5,500,000	1,600,000	1,540,286	1,545,280	26.19	29.50
As at June 30, 2024						1,540,286	1,545,280	4.994	
As at June 30, 2023						121,154	120,800	(354)	

* These carry effective yield of ranging between 22.40% to 23.39% (2023: Nil) per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5.1.4 Government of Pakistan (GOP) - Ijara Sukuk

Tenure	Issue Date	Face value				June 30, 2024			Market value as a percentage of Net assets	Market value as a percentage of Total Investments
		At July 01, 2023	Purchased during the year	Sold/Matured during the year	At June 30, 2024	Carrying value	Market value	Unrealised gain / (loss)		
Listed GOP Ijara Sukuk										
GOP Ijara - 1 year (Fixed)*	March 15, 2024	-	26,000	4,000	22,000	19,416	19,426	10	0.33	0.37
GOP Ijara - 3 year (Fixed)*	January 24, 2024	-	62,500	-	62,500	62,511	62,513	2	1.06	1.19
GOP Ijara - 3 year (Variable)*	January 24, 2024	-	337,500	-	337,500	337,500	339,187	1,687	5.75	6.48
GOP Ijara - 5 year (Variable)*	January 24, 2024	-	637,500	-	637,500	635,743	638,775	3,032	10.63	12.20
GOP Ijara - 5 year (Fixed)*	January 24, 2024	-	512,500	-	512,500	512,273	512,258	(15)	8.66	9.78
As at June 30, 2024						1,567,443	1,572,159	4,716		
As at June 30, 2023						-	-	-		
Unlisted GOP Ijara Sukuk										
GOP Ijara - 1 year (Variable)	March 08, 2023	-	225,000	225,000	-	-	-	-	-	-
GOP Ijara - 1 year (Variable)	April 17, 2023	-	1,000,000	1,000,000	-	-	-	-	-	-
GOP Ijara - 1 year (Variable)*	September 20, 2023	-	125,000	-	125,000	125,000	124,950	(50)	2.12	2.39
GOP Ijara - 1 year (Variable)	October 09, 2023	-	300,000	300,000	-	-	-	-	-	-
GOP Ijara - 1 year (Variable)*	December 04, 2023	-	25,000	-	25,000	25,000	25,085	85	0.43	0.48
GOP Ijara - 3 year (Variable)*	December 04, 2023	-	75,000	-	75,000	75,000	74,865	(135)	1.27	1.43
GOP Ijara - 3 year (Fixed)*	December 04, 2023	-	125,000	75,000	50,000	50,117	50,055	(62)	0.85	0.98
GOP Ijara - 5 year (Variable)*	December 04, 2023	-	100,000	-	100,000	100,000	100,160	160	1.70	1.91
GOP Ijara - 5 year (Fixed)	December 04, 2023	-	175,000	175,000	-	-	-	-	-	-
As at June 30, 2024						375,117	375,115	(2)		
As at June 30, 2023						-	-	-		

* These carry effective yield of ranging between 15.49% to 25.54% (2023: Nil) per annum.

5.2 Term Finance certificate - listed debt securities

Carrying value as at June 30,
Less: Provision as at June 30,
- Pace Pakistan Limited
- Eden Housing Limited

	June 30, 2024	June 30, 2023
Note	(Rupees in '000)	(Rupees in '000)
5.2.1	85,161	85,161
	(74,910)	(74,910)
	(10,251)	(10,251)
	(85,161)	(85,161)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5.2.1 Listed debt securities - Term Finance Certificates

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

Name of investee company	Number of Certificates					As at June 30, 2024				Market value as a percentage of Net assets	Market value as a percentage of Total Investment
	As at July 01, 2023	Purchased during the year	Matured during the year	Sold during the year	As at June 30, 2024	Carrying value	Provision	Net amount	Market value		
-----Rupees in '000----- % -----											
Miscellaneous											
Pace Pakistan Limited	15,000	-	-	-	15,000	74,910	(74,910)	-	-	-	-
Due but not received (Note 5.6)											
Construction and Material											
Eden Housing Limited	10,415	-	-	-	10,415	10,251	(10,251)	-	-	-	-
Due but not received (Note 5.6)											
As at June 30, 2024						85,161	(85,161)	-	-		
As at June 30, 2023						-	-	-	-		

5.3 Unlisted debt securities - Term Finance Certificates

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of Certificates				As at June 30, 2024			Market value as a percentage of Net assets	Market value as a percentage of Total Investment
	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised gain / (loss)		
----- Rupees in '000 ----- % -----									
Commercial Banks									
Askari Bank Limited **	20	20	20	20	19,810	19,900	90	0.34	0.38
Bank AL Habib Limited *	5,000	-	-	5,000	24,675	24,600	(75)	0.42	0.47
Semba Bank Limited *	400	400	400	400	39,572	39,935	363	0.68	0.76
Companies									
Jahangir Siddiqui & Company Limited	17,000	-	17,000	-	-	-	-	0.00	0.00
Total as at June 30, 2024					84,057	84,435	378		
Total as at June 30, 2023					97,093	95,091	(2,002)		

* Face value of these Term Finance certificates is Rs. 100,000 per certificate

** Face value of these Term Finance certificates is Rs. 1,000,000 per certificate

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

5.4 Significant terms and conditions of term finance certificates and other securities outstanding as at June 30, 2024 are as follows:

Name of the issuer	Markup rate per annum	Issue Date	Maturity Date	Rating
Commercial Banks				
Samba Bank Limited	6 months KIBOR + 1.35%	March 01, 2021	March 01, 2031	AA-
Bank AL Habib Limited	6 months KIBOR + 0.75%	September 30, 2021	September 30, 2031	AAA
Askari Bank Limited	3 months KIBOR + 1.20%	March 17, 2020	March 17, 2030	AA

	Note	June 30, 2024	June 30, 2023
(Rupees in '000)			
5.5 Unrealised gain / (loss) on remeasurement of investments at fair value through profit or loss - net			
Market value as at June 30	5.1.1, 5.1.2, 5.1.3, 5.1.4 & 5.2	5,237,393	965,765
Carrying value as at June 30	5.1.1, 5.1.2, 5.1.3, 5.1.4 & 5.2	5,230,679	972,276
		6,714	(6,511)

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

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 07, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investments	Note	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of gross assets
(Rupees in '000)							
Pace Pakistan Limited	5.2	TFC	-	(74,910)	(74,910)	-	-
Eden Housing Limited	5.2	TFC	-	(10,251)	(10,251)	-	-

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

	June 30, 2024	June 30, 2023
(Rupees in '000)		
6. PROFIT RECEIVABLE		
Profit receivable:		
- Term finance certificates	4,675	5,370
- Government securities	244,378	4,177
- Deposit accounts	8,636	4,247
	257,689	13,794

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE			
Advance tax		1,767	595
Deposits with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		200	200
Prepayments		296	270
Receivable against collection account		1,461	1,475
		<u>6,224</u>	<u>5,040</u>

8. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	8.1	5,697	525
Sindh Sales Tax payable on Management remuneration	8.2	741	68
Allocated expenses payable	8.3	405	151
Selling and marketing expenses payable	8.4	4,933	1,719
Sales load payable		109	337
		<u>11,885</u>	<u>2,800</u>

- 8.1** Management Company charged management fee at the rate of up to 15% of the gross earnings of the scheme, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2** Sindh Sales Tax on remuneration of the Management Company has been charged at the rate of 13% (2023: 13%).
- 8.3** Management Company has charged allocated expenses to the Fund to the extent as it has thought expedient on its discretion subject to not being higher than actual expenses.
- 8.4** Management Company has charged selling and marketing expenses to the Fund to the extent as it has thought expedient on its discretion subject to not being higher than actual expenses.

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	9.1	379	76
Sindh Sales Tax payable on trustee remuneration	9.2	49	10
		<u>428</u>	<u>86</u>

- 9.1** From July 01, 2019, the Trustee is entitled to a remuneration at the rate of 0.075% per annum of the net assets to be paid monthly in arrears
- 9.2** Sindh Sales Tax at 13% (2023: 13%) is charged on trustee fee.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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 0.075% of average Net Assets of Collective investment Scheme calculated on daily basis.

Effective as of July 01, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for federal excise duty and related tax on	11.1		
- Management fee		16,590	16,590
- Sales load		4,746	4,746
Brokerage		184	62
Withholding tax on capital gain		14,895	2,737
Auditors' remuneration		533	536
Printing expense		40	40
Legal and professional charges		41	40
		37,029	24,751
11.1 Federal Excise Duty payable			

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 01, 2016. However, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2024 aggregates to Rs. 21.34 million (2023: Rs. 21.34 million). Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2024 would have been higher by Re. 0.20 (2023: Re. 0.97) per unit.

12. CONTINGENCIES AND COMMITMENTS

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
Note	(Rupees in '000)	
13. AUDITORS' REMUNERATION		
Annual audit fee	370	315
Half yearly review fee	200	184
Other certifications and services	80	207
Out of pocket expenses and other taxes	102	103
	752	809
Sales Tax	60	65
	812	874

14. TAXATION

The Fund's income is exempt from income tax as per 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 available for distribution for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

	June 30, 2024	June 30, 2023
Note	(Rupees in '000)	
15. CASH AND CASH EQUIVALENTS		
Bank balances	4	101,340
Market Treasury Bills - 3 months	5.1.1	-
	101,340	244,161
		339,556

16. TOTAL EXPENSE RATIO

The total annualised expense ratio (TER) of the Fund based on the current year results is 2.03% (2023: 1.47%) which includes 0.23% (2023: 0.1%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 3% (2023: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'aggressive fixed income scheme'.

17. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS RELATED PARTIES

Related parties / connected persons of the Fund include MCB Investment Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

The details of transactions and balances at year end with related parties / connected persons are as follows:

	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----	
17.1 Details of transactions other than units of the Fund with related parties / connected persons during the year:		
MCB Investment Management Limited - Management Company		
Remuneration (including indirect taxes)	67,619	6,806
Allocated expenses	5,089	1,766
Selling and marketing expense	22,208	5,158
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	4,562	1,039
CDC Settlement charges	21	10
MCB Bank Limited		
Profit on bank deposits	176	75
Bank charges	23	17
Sale of 1,539.25 million (2023 Nil) securities	1,325,193	-
	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----	
17.2 Details of balances with related parties / connected persons as at year end:		
MCB Investment Management Limited - Management Company		
Management remuneration payable	5,697	525
Sindh Sales Tax payable on remuneration of the Management Company	741	68
Allocated expenses payable	405	151
Selling and marketing expenses payable	4,933	1,719
Sales load payable	109	337
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	379	76
Sindh Sales Tax payable on trustee remuneration	49	10
Security deposits	200	200
Receivable against collection account	1,461	1,475
MCB Bank Limited		
Bank deposits held	7,260	11,733

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

17.3 Transactions during the year with connected persons / related parties in units of the Fund:

	June 30, 2024							
	As at July 01, 2023	Issued for cash	Redeemed	As at June 30, 2024	As at July 01, 2023	Issued for cash	Redeemed	As at June 30, 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	-
Director and Key management personnel *	61,761	1,994,009	2,011,370	44,400	3,364	113,611	115,974	2,439
Unit holders holding 10% or more units	5,443,068	29,257,039	12,789,406	21,910,702	296,493	1,593,685	400,000	1,203,651

* This reflects the position of related party / connected persons status as at June 30, 2024.

	June 30, 2023							
	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023
	Units				(Rupees in '000)			
Associated companies:								
D.G. Khan Cement Company Limited								
Employees Provident Fund Trust	477,036	79,027	-	556,063	25,835	4,286	-	30,290
Key management personnel *	37,864	273,786	250,148	61,502	2,051	15,693	14,144	3,350
Unit holders holding 10% or more units	2,231,978	5,668,346	2,457,255	5,443,068	120,879	316,524	154,090	296,493

* This reflects the position of related party / connected persons status as at June 30, 2023.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

	June 30, 2024						
	Carrying amount			Fair Value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial assets measured at fair value							
Government securities	5,152,958	-	5,152,958	3,492,554	1,660,404	-	5,152,958
Term Finance Certificates - Unlisted	84,435	-	84,435	84,435	-	-	84,435
Term Finance Certificates - Listed	-	-	-	-	-	-	-
	5,237,393	-	5,237,393	3,576,989	1,660,404	-	5,237,393
Financial assets not measured at fair value							
Bank balances	-	101,340	101,340				
Profit receivable	-	257,689	257,689				
Deposits and other receivables	-	4,457	4,457				
Receivable against sale of Investment	-	1,412,666	1,412,666				
Receivable from the National Clearing Company of Pakistan Limited	-	4,035	4,035				
	-	1,780,187	1,780,187				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	11,144	11,144				
Payable to the Trustee	-	379	379				
Payable against redemption of units	-	13,680	13,680				
Payable against purchase of Investments	-	1,056,777	1,056,777				
Dividend Payable	-	2	2				
Accrued expenses and other liabilities	-	759	759				
	-	1,082,741	1,082,741				

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		Carrying amount		Fair Value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Government securities							
Term Finance Certificates - Unlisted	870,674	-	870,674	-	870,674	-	870,674
	95,091	-	95,091	-	95,091	-	95,091
	965,765	-	965,765	-	965,765	-	965,765
Financial assets not measured at fair value							
Bank balances	-	244,161	244,161				
Profit receivable	-	13,794	13,794				
Deposits and other receivables	-	2,700	2,700				
Receivable against sale of investment	-	-	-				
Receivable from the National Clearing Company of Pakistan Limited	-	2,181	2,181				
	-	262,836	262,836				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	2,732	2,732				
Payable to the Trustee	-	76	76				
Payable against redemption of units	-	2,079	2,079				
Payable against purchase of investments	-	-	-				
Dividend payable	-	-	-				
Accrued expenses and other liabilities	-	638	638				
	-	5,525	5,525				

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

19. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mentioned risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors of the Management Company and the regulations laid down by the SECP, the NBFC regulations and the NBFC rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistan Rupees.

19.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on bank balances, investments in term finance certificates, government securities and sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2024 details of Fund's interest bearing financial instruments were as follows:

	Note	June 30, 2024	June 30, 2023
		Rupees in 000	
Variable rate instrument (financial asset)			
Bank balances	4	94,937	232,456
Pakistan Investment Bond - Floating rate bond	5.1.3	1,545,280	-
Term finance certificates - unlisted securities	5.3	84,435	95,091
Term finance certificates - Listed securities	5.2	-	-
GOP - Ijara Sukuk (Variable)	5.1.4	1,303,022	-
		3,027,674	327,547
Fixed rate instruments (financial assets)			
Market treasury bills	5.1.1	1,057,758	749,874
GOP - Ijara Sukuk (Fixed)	5.1.4	644,252	-
Pakistan investment bonds	5.1.2	602,646	-
		2,304,656	749,874

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based Government securities, term finance, and balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 30.276 million (2023: Rs. 3.275 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2024, the net income for the year and net assets would be lower / higher by Rs. 23.04 million (2023: Rs. 7.49 million).

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

	June 30, 2024					
Yield / effective interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	Total	
----- % ----- Rupees in '000 -----						

On-balance sheet financial instruments						
Financial Assets						
Bank balances	19 to 20.5	94,937	-	-	101,340	
Investments						
at fair value through profit and loss - net						
- Government Securities	12 - 25.54	1,545,280	3,005,032	602,646	5,152,958	
- Term Finance Securities	1.20 to 1.35	-	-	84,435	84,435	
		1,545,280	3,005,032	687,081	5,237,393	
Profit receivable		8,636	-	-	257,689	
Deposits and other receivables		-	-	249,053	4,457	
Receivable against sale of investment		-	-	4,457	1,412,666	
Receivable from National Clearing Company of Pakistan Limited		-	-	1,412,666	4,035	
		-	-	4,035	7,017,580	

Financial Liabilities						
Payable to Management Company		-	-	11,144	11,144	
Payable to Trustee		-	-	379	379	
Payable against redemption of units		-	-	13,680	13,680	
Dividend payable		-	-	2	2	
Payable against purchase of investments		-	-	1,056,777	1,056,777	
Accrued and other liabilities		-	-	759	759	
		-	-	1,082,741	1,082,741	

On-balance sheet gap		1,648,853	3,005,032	687,081	5,934,839	

Total interest rate sensitivity gap		1,648,853	3,005,032	687,081		

Cumulative interest rate sensitivity gap		1,648,853	4,653,885	5,340,966		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

June 30, 2023					
Yield / effective interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	Total
%	Rupees in '000				
On-balance sheet financial instruments					
Financial Assets					
Bank balances	13.50 - 19.50	232,456	-	11,705	244,161
Investments at fair value through profit and loss - net					
- Government Securities	11.51				
- Unlisted debt securities	23.96 to 24.37	339,556 10,843	410,318 -	120,800 84,448	870,674 95,091
		350,199	410,318	205,248	965,765
Profit receivable		4,247	-	11,022	15,269
Deposits and other receivables		-	-	2,700	2,700
Receivable against sale of investment		-	-	2,700	2,700
Receivable from National Clearing Company of Pakistan Limited		-	-	2,181	2,181
		586,902	410,318	205,248	1,230,076
Financial Liabilities					
Payable to Management Company		-	-	2,800	2,800
Payable to Trustee		-	-	86	86
Payable against redemption of units		-	-	2,079	2,079
Dividend payable		-	-	-	-
Payable against purchase of investments		-	-	-	-
Accrued expenses and other liabilities		-	-	637	637
		-	-	5,603	5,603
On-balance sheet gap		586,902	410,318	205,248	1,224,473
Total interest rate sensitivity gap		586,902	410,318	205,248	
Cumulative interest rate sensitivity gap		586,902	937,220	1,202,468	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

19.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments in term finance certificates, bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from bank balances and investment in term finance certificate (note 5.4) is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2024		June 30, 2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- (Rupees in '000) -----				
Bank Balances	101,340	101,340	244,161	244,161
Investments in government securities	5,152,958	-	870,674	-
Investments in term finance certificates	84,435	84,435	95,091	95,091
Profit receivable	257,689	13,311	15,269	11,092
Deposits and other receivables	4,457	4,457	2,700	2,700
Receivable from National Clearing Company of Pakistan Limited	4,035	4,035	2,181	2,181
Receivable against sale of investment	1,412,666	1,412,666	-	-
	7,017,580	1,620,244	1,230,076	355,225

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The analysis below summarizes the credit rating quality of the Fund's financial assets with banks as at June 30, 2024 and June 30, 2023:

Bank Balances by rating category

	June 30, 2024		June 30, 2023	
	Rupees in '000	%	Rupees in '000	%
- AAA	54,223	53.51	46,191,181	18.92
- AA+	46,541	45.93	197,231,782	80.78
- AA	521	0.51	574,851	0.24
- AA-	32	0.03	23,140	0.01
- A+	23	0.02	68,833	0.03
- A	-	0.00	33,240	0.01
- A-	-	0.00	37,882	0.02
	101,340	100.00	244,160,909	100.00

* Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2024.

Investments in government securities do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and management does not expect to incur any credit loss on such investment.

Deposits are placed with National Clearing Company of Pakistan Limited (NCCPL) and Central Depository Company of Pakistan Limited (CDC) for the purpose of effecting transaction and settlement of listed securities. It is expected that all deposits with NCCPL and CDC will be clearly identified as being assets of the Fund, hence management believes that the Fund is not materially exposed to a credit risk with respect to deposits.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

June 30, 2024					
Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
Rupees in '000					
Financial assets					
Bank balances	101,340				
Investments	-	1,227,219	3,925,739	-	5,152,958
Profit receivable	15,269	-	-	-	-
Deposits and other receivables	2,700	-	-	-	-
Receivable against sale of investment	1,412,666	-	-	-	-
Receivable from National Clearing Company of Pakistan Limited	4,035	-	-	-	-
	1,536,010	-	1,227,219	3,925,739	-
					5,152,958
Financial liabilities					
Payable to Management Company	11,144	-	-	-	11,144
Payable to Trustee	379	-	-	-	379
Payable against redemption of units	13,680	-	-	-	13,680
Payable against purchase of Investments	1,056,777	-	-	-	1,056,777
Accrued expenses and other liabilities	759	-	-	-	759
	1,082,739	-	-	-	1,082,739
On-balance sheet gap	453,271	-	1,227,219	3,925,739	-
Total liquidity risk sensitivity gap	453,271	-	1,227,219	3,925,739	-
Cumulative liquidity risk sensitivity gap	453,271	453,271	1,680,490	5,606,229	5,606,229
					9,676,448

June 30, 2023					
Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
Rupees in '000					
Financial assets					
Bank balances	244,161	-	-	-	244,161
Investments	350,199	531,118	-	84,448	965,765
Profit receivable	11,022	-	-	-	-
Deposits and other receivables	2,700	-	-	-	-
Receivable against sale of investment	-	-	-	-	-
Receivable from National Clearing Company of Pakistan Limited	2,181	-	-	-	-
	610,263	531,118	-	84,448	-
					1,209,926
Financial liabilities					
Payable to Management Company	2,800	-	-	-	2,800
Payable to Trustee	86	-	-	-	86
Payable against redemption of units	2,079	-	-	-	2,079
Payable against purchase of Investments	-	-	-	-	-
Accrued expenses and other liabilities	637	-	-	-	637
	5,603	-	-	-	5,603
On-balance sheet gap	604,660	531,118	-	84,448	-
Total liquidity risk sensitivity gap	604,660	531,118	-	84,448	-
Cumulative liquidity risk sensitivity gap	604,660	1,135,778	1,135,778	1,220,226	1,220,226
					2,424,550

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

20. UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

21. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Khawaja Khalil Shah	Chief Executive Officer	MBA	32
2	Muhammad Asim	Chief Investment Officer	MBA, CFA	21
3	Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	13
4	Saad Ahmed	Fund Manager	MBA	18
6	Syed Abid Ali	Head Of Equities	MBA	16
7	Syed Mohammad Usama Iqbal	Fund Manager - Fixed Income Funds	Graduate	20

21.1 Mr. Saad Ahmed is the Fund manager. Details of the other funds being managed by him are as follows:

- MCB DCF Income Fund
- MCB Cash Management Optimizer
- Pakistan Cash Management Fund
- MCB Pakistan Sovereign Fund
- Alhamra Daily Dividend Fund
- Alhamra Cash Management Optimizer
- Alhamra Government Securities Plan I

22. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		2024 (Percentage)
1	Continental Exchange (Private) Limited	28.38
2	C & M Management (Private) Limited	18.08
3	Alfalah CLSA Securities (Private) Limited	13.00
4	Invest One Markets (Private) Limited	6.85
5	JS Global Capital Limited	5.76
6	Paramount Capital (Private) Limited	5.72
7	Arif Habib Limited	5.23
8	AKD Securities Limited	3.94
9	Optimus Market (Private) Limited	3.79
10	Summit Capital (Private) Limited	3.48
		2023 (Percentage)
1	Continental Exchange (Private) Limited	40.46
2	C & M Management (Private) Limited	11.89
3	Optimus Market (Private) Limited	11.53
4	Vector Capital (Private) Limited	9.06
5	Invest One Markets (Private) Limited	7.90
6	Paramount Capital (Private) Limited	4.59
7	AKD Securities Limited	4.39
8	Alfalah CLSA Securities (Private) Limited	3.79
9	Magenta Capital Limited	2.76
10	Summit Capital (Private) Limited	1.36

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

23. PATTERN OF UNITHOLDINGS

As at June 30, 2024				
Number of unit holders	Number of units	Investment amount	Percentage investment	
		(Rupees in '000')	%	
Individuals	1,223	59,214,704	3,252,924	55.14
Director	1	28,913	1,588	0.03
Insurance Companies	2	5,378,145	295,445	5.01
Retirement funds	12	2,873,988	157,881	2.68
Public Limited Companies	4	26,751,454	1,469,578	24.91
Others	26	13,138,424	721,751	12.23
	1,268	107,385,628	5,899,167	100

As at June 30, 2023				
Number of unit holders	Number of units	Investment amount	Percentage investment	
		(Rupees in '000')	%	
Individuals	1,063	16,767,134	913,334	76.05
Associated companies	13	1,948,701	106,149	8.84
Retirement funds	13	2,775,899	151,207	12.59
Other	1	556,062	30,290	2.52
	1,090	22,047,796	1,200,980	100

24. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 189th, 190th, 191th, 192nd, 193rd, 194th, 195th and 196th meeting of the Board of Directors were held on July 21, 2023, July 26, 2023, September 28, 2023, October 12, 2023, October 18, 2023, February 02, 2024, April 19, 2024 and April 22, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of persons attending the meetings	Designation	Number of meetings held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave granted	
Mr. Haroon Rashid	Chairman	8	8	8	-	-
Mr. Ahmed Jahangir	Director	8	8	8	-	-
Syed Savail Meekal Hussain	Director	8	8	7	1	195th
Ms. Mavra Adil Khan	Director	8	8	6	2	192nd, 195th
Mr. Muhammad Saqib Saleem (Resigned on October 31, 2023)	Chief Executive Officer	8	5	5	-	-
Mr. Fahd Kamal Chinoy	Director	8	8	5	3	190th, 192nd, 195th
Mr. Manzar Mushtaq	Director	8	8	8	-	-
Mr. Shoaib Mumtaz	Director	8	8	5	3	192nd, 193rd, 195th
Mr. Khawaja Khalil Shah (Appointed on November 01, 2023)	Director	8	3	3	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

25. INTERIM DISTRIBUTION DURING THE YEAR

June 30, 2024					
	Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
(Rupees in '000)					
For the period ended December 27, 2023	5.6149	December 28, 2023	613,278	183,109	796,387
For the period ended February 13, 2024	1.3178	February 14, 2024	73,935	116,502	190,437
For the period ended June 11, 2024	3.0850	June 12, 2024	168,285	162,272	330,557
			855,498	461,883	1,317,381

	June 30, 2023				
	Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
	(Rupees in '000)				
For the period ended June 16, 2023	8.9841	June 16, 2023	55,028	116,061	171,089

26. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

27. GENERAL

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

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 25, 2024 by the Board of Directors of the Management Company.

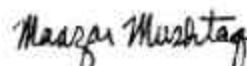
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2024**

No. of Unit Holders	Unit holdings	Total units held
622	A. 001-10,000	20,059
196	B. 10,001 – 100,000	141,933
192	C. 100,001 – 1000,000	1,396,873
258	D. 1000,001 & Above	105,826,763
<u>1,268</u>		<u>107,385,628</u>

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2024

Performance Information	2024	2023	2022	2021	2020
Total Net Assets Value – Rs. in million	5,899.1670	1,200.9803	870.3580	629.5960	706.8346
Net Assets value per unit – Rupees	54.9344	54.4717	54.1576	53.9015	53.8942
Closing Offer Price	56.1759	55.7028	55.3816	55.1197	55.1122
Closing Repurchase Price	54.9344	52.6251	52.3217	52.0742	52.0672
Highest offer price per unit	61.4715	64.6443	60.8128	59.1479	62.4156
Lowest offer price per unit	55.6794	55.3555	55.1869	54.9296	54.3835
Highest Redemption price per unit	58.0751	63.2156	59.4688	57.8407	61.0362
Lowest Redemption price per unit	52.6031	54.1321	53.9672	53.7156	53.1816
Distribution per unit – Rs. *	10.0177	8.9841	5.3543	3.9355	6.9605
Average Annual Return - %					
One year	20.39	17.24	10.42	7.32	14.45
Two year	18.82	13.83	8.87	10.89	11.15
Three year	16.02	11.66	10.73	9.87	9.15
Net Income for the year – Rs. in million	955.0787	194.549	102.1075	48.0980	101.3760
Distribution made during the year – Rs. in million	906.0410	189.395	100.7340	48.0790	93.7550
Accumulated Capital Growth – Rs. in million	49.0377	5.154	1.3735	0.0190	18.8450
Weighted average Portfolio Duration (years)	3	1.2	2.0	1.5	2.6

* Date of Distribution

2024	
Date	Rate
Dec 28, 2023	5.6149
Feb 14, 2024	1.3178
Jun 11, 2024	3.085

2023	
Date	Rate
June 16, 2023	8.9841

2022	
Date	Rate
June 24, 2022	5.3543

2021	
Date	Rate
June 25, 2021	3.9355

2020	
Date	Rate
June 26, 2020	6.9605

Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

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