



MCB FUNDS  
Investments for Life

# ANNUAL REPORT 2024

Funds Under Management of  
MCB Investment Management Limited



# **MCB CASH MANAGEMENT OPTIMIZER**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Shoaib Mumtaz</b> Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman <b>Director</b> Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir <b>Mr. Shoaib Mumtaz</b> Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain <b>Mr. Khawaja Khalil Shah</b>	Member <b>Member</b> Member <b>Member</b>
<b>Chief Executive Officer</b>	<b>Mr. Khawaja Khalil Shah</b>	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan	Zarai Taraqati Bank Limited Bank Al Falah Limited Meezan Bank Limited Bank of Punjab Limited Faysal Bank Limited
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-75350.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Cash Management Optimizer** accounts review for 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



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

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the major culprits behind the subdued industrial and services output. On the fiscal side, 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 22.15% as against its benchmark return of 20.90%, a difference of 1.25%. WAM of the fund was 60 days at June end.

The fund was 28.3% in T-Bills as of June end. The Net Assets of the Fund as at June 30, 2024 decreased by 19.53% to Rs. 46,798 million as compared to Rs. 58,153 million as at June 30, 2023.

The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 102.0403 as compared to opening NAV of Rs. 101.6881 per unit as at June 30, 2023 registering an increase of Rs. 0.3522 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.

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

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For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. Investors with a mid to long term view can benefit from Bond and Income Funds where higher duration will create opportunities for capital gains in the wake of Interest rate outlook. We have added government bonds in Income Funds to benefit from the expected monetary easing in the near term.

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 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.



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

### 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:

- 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;



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

- 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 & 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

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

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

**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	186,097.91	290,451.27	142.26
2.	Haroun Rashid	Director/ Chairman	4,235,708.53	5,555,343.13	2,803.61
3.	Shoaib Mumtaz	Director	892.43	32,691.66	820.64
4.	Sara Mushtaq	W/O Manzar Mushtaq	8,778,619.67	6,530,051.47	221.82
5.	Muhammad Asif Mehdi Rizvi	Chief Financial & Operating Officer	49,030.86	49,030.86	0.02
6.	Altaf Ahmad Faisal	Company Secretary	5,161.95	5,161.97	-

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

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**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.

**ACKNOWLEDGMENT**

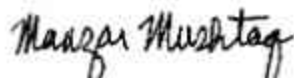
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
September 25, 2024



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**Manzar Mushtaq**  
Director  
September 25, 2024



## ڈائریکٹرز رپورٹ

2,803.61	5,555,343.13	4,235,708.53	ڈائریکٹر/چیئر مین	ہارون رشید	2.
820.64	32,691.66	892.43	ڈائریکٹر	شعیب ممتاز	3.
221.82	6,530,051.47	8,778,619.67	منظر مشتاق کی اہلیہ	سارہ مشتاق	4.
0.02	49,030.86	49,030.86	چیف فنانشل اینڈ آپریٹنگ آفیسر	محمد آصف مہدی رضوی	5.
-	5,161.97	5,161.95	کمپنی سیکرٹری	الطاف احمد فیصل	6.

### 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، سیکورٹیز 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،

Mansar Mushtaq

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

25 ستمبر 2024

منظر مشتاق

ڈائریکٹر

25 ستمبر 2024

## ڈائریکٹرز رپورٹ

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

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۔

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

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

سیریل نمبر	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
				(پونٹوں کی تعداد)	
1.	خواجہ خلیل شاہ	چیف ایگزیکٹو آفیسر	186,097.91	290,451.27	142.26

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

g. لسٹنگ ریکویشن 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 ریکویشن 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 موثر 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 کے دوران منعقدہ کمیٹی کے اجلاسوں کی تفصیلات درج ہیں۔

1. آڈٹ کمیٹی کا اجلاس۔

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



## ڈائریکٹرز رپورٹ

5	سید ساویل میکال حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
6	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
7	محترمہ ماورا عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8	جناب خوبہ 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 باقاعدگی 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، نان بینکنگ فنانس کمپنیز (اسٹیلیٹمنٹ اینڈ ریگولیشنز) رولز، 2003، نان بینکنگ فنانس کمپنیز اینڈ ٹائیٹائیڈ ریگولیشن 2008، متعلقہ ٹرسٹ ڈیڈز کے تقاضے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

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

## ڈائریکٹرز رپورٹ

بی بینک (MCB) نے عارف حبیب کارپوریشن لمیٹڈ (AHCL) سے ایم سی بی-عارف حبیب سیولکس 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 سیولکس اینڈ انویسٹمنٹس لمیٹڈ سے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ میں تبدیل کر دیا جائے اور سکیورٹیز اینڈ ایکسچینج 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:

40۔ نان-ایگزیکٹو ڈائریکٹرز؛

30۔ خود مختار ڈائریکٹرز؛ اور

10۔ 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	* ایچ آراینڈ آر کمیٹی
3	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	ایچ آراینڈ آر کمیٹی آڈٹ کمیٹی
4	جناب منظر مشتاق	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی

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 فیکسڈ 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۔

#### منجمنٹ کمپنی

18 اپریل 2023 کو ایم سی بی - حارف حبیب سیونکس اینڈ انویسٹمنٹس لمیٹڈ (MCB-AH) کی parent کمپنی ایم سی



یہ فی یونٹ 102.0403 روپے رہی جو 0.3522 روپے فی یونٹ کے اضافے کو ظاہر کرتی ہے۔

معیشت 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 ٹھیک 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 USD / PKR 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 ہیں کہ 25 جون تک شرح سود 14-15 فیصد تک گر جائے گی۔

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 ہینڈ 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 ٹیرف 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 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۔

#### فنڈ کی کارکردگی

اس مدت کے دوران، فنڈ نے 20.90 فیصد کے بینچ مارک ریٹرن کے مقابلے میں 22.15 فیصد کا ریٹرن دیا جو کہ 1.25 فیصد کے فرق کو ظاہر کرتا ہے۔ جون کے آخر میں فنڈ کا WAM 60 دن کا تھا۔ جون کے آخر تک فنڈ کی سرمایہ کاری T-bills میں 28.3 فیصد کی گئی۔

30 جون 2023 تک فنڈ کے خالص اثاثے 58,153 ملین روپے تھے جب کہ 30 جون 2024 کو یہ 46,798 ملین روپے رہے جو 19.53 فیصد کی کمی کو ظاہر کرتے ہیں۔

30 جون 2023 اوپننگ نیٹ اثاثہ (NAV) کی قیمت فی یونٹ 101.6881 روپے تھی جب کہ 30 جون 2024 کو

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے ایم سی بی کیش مینجمنٹ آپٹیمائزر 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 انٹر بینک 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 کی صورت حال کی عکاسی کرتی ہے۔ حکومت نے ستمبر 2023 میں ڈالر کی اسٹگنٹ، 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 انٹر ریٹ 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 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

MCB Cash Management Optimizer (CMOP) is an open-end fund money market fund, and has the leverage to invest in short term government securities, repurchase agreements, term deposit and money market placements with scheduled banks with a maximum maturity of 180 days and weighted average maturity up to 90 days.

### Fund Benchmark

70% three (3) months PKRV rates plus 30% three (3) months average deposit rates of three (3) "AA" rated scheduled Banks as selected by MUFAP.

### Investment Objective

To provide unit-holders competitive returns from a low risk portfolio of short duration assets while maintaining high liquidity.

### Investment Strategy

The Fund through active management will aim to provide optimum returns for its Unit Holders by investing in highly liquid debt securities issued by the Government of Pakistan as well as TDR to AA or above rated banks.

### Manager's Review

During the period under review, the fund generated a return of 22.15% as against its benchmark return of 20.90%, an outperformance of 1.25%. WAM of the fund was 60 days at June end. The fund was 63.6% invested in cash and 28.3% invested in T-Bills as of June end.

The Net Assets of the Fund as at June 30, 2024 decreased by 19.5% to Rs. 46,798 million as compared to Rs. 58,153 million as at June 30, 2023. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 102.0403 as compared to opening NAV of Rs. 101.6881 per unit as at June 30, 2023 registering an increase of Rs. 0.3522 per unit.

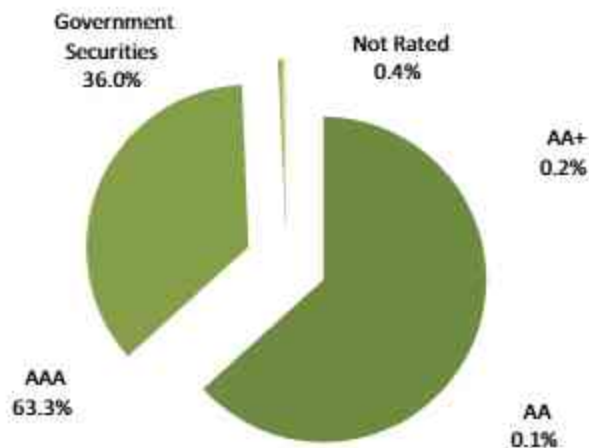
### Asset Allocation as on June 30, 2024 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-24
Cash	63.6%
GOP Ijara Sukuk	7.7%
T-Bills	28.3%
Others including receivables	0.4%
PIBs	0.0%
Term Deposit Receipt	0.0%

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

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



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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 Shuhra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdc-pakistan.com](http://www.cdc-pakistan.com)  
Email: [info@cdc-pak.com](mailto:info@cdc-pak.com)



## TRUSTEE REPORT TO THE UNIT HOLDERS

### MCB CASH MANAGEMENT OPTIMIZER

#### 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 MCB Cash Management Optimizer (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 & E  
KCHSU, Shaheen-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 MCB CASH MANAGEMENT OPTIMIZER

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **MCB Cash Management Optimizer (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	<b>Valuation and existence of investments</b>  As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 17,068 million as at June 30, 2024, consisting of government securities 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"><li>Independently tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li><li>Independently matched the number of listed GOP ijara sukuks held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;</li></ul>



Unaudited Consolidated Form 33  
Bakhtyar Taseer Technologies 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"><li>Independently matched government securities held by the Fund with the securities appearing in the Investors' Portfolio Securities Account Statement;</li></ul>

### 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 for  
Securities Exchange Commission Limited

# 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: AR202410057MISVhYaeF

Independent Chartered Accountant Firm for  
Sulhika Finance Pakistan Limited



# STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Bank balances	4.	30,130,122	17,447,467
Investments	5	17,067,547	58,664,000
Profit receivable		153,920	367,186
Advances, deposits, prepayments and other receivable	6	46,225	25,733
<b>Total assets</b>		<b>47,397,814</b>	<b>76,504,386</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	7.	61,742	102,470
Payable to Central Depository Company of Pakistan Limited - Trustee	8.	2,114	2,965
Payable to Securities and Exchange Commission of Pakistan	9	2,552	11,673
Payable against purchase of investments		459,504	18,144,541
Accrued expenses and other liabilities	10	73,908	89,300
<b>Total liabilities</b>		<b>599,820</b>	<b>18,350,955</b>
<b>NET ASSETS</b>		<b>46,797,994</b>	<b>58,153,431</b>
<b>UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)</b>		<b>46,797,994</b>	<b>58,153,431</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>458,622,851</b>	<b>571,880,450</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>	3.7	<b>102.0403</b>	<b>101.6881</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

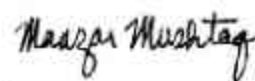
For MCB Investment Management Limited  
(Management Company)



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)	
<b>INCOME</b>			
Capital (loss) / gain on sale of investments - net		(112,975)	181,611
Profit on term deposits receipts		163,638	238,787
Profit on bank deposits		1,504,267	2,697,841
Income from government securities		6,714,374	6,638,295
Income from letter of placement		277,837	113,459
Income from other placement		-	230,592
Income from musharika		-	25,480
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - net	5.3	14,339	(92,827)
<b>Total income</b>		<b>8,561,480</b>	<b>10,033,238</b>
<b>EXPENSES</b>			
Remuneration of MCB Investment Management Limited - Management Company	7.1	271,143	315,607
Sindh Sales Tax on remuneration of Management Company	7.2	35,249	41,029
Allocated expenses	7.3	29,998	10,233
Selling and marketing expenses	7.4	165,127	176,680
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	21,797	32,097
Sindh Sales Tax on remuneration of Trustee	8.2	2,834	4,173
Securities and Exchange Commission of Pakistan fee	9	29,724	11,673
Legal and professional		191	174
Brokerage, settlement and bank charges		9,369	11,412
Auditors' remuneration	12	1,477	1,342
Fees and subscription		515	498
Printing and related costs		34	37
<b>Total operating expenses</b>		<b>567,458</b>	<b>604,955</b>
<b>Net income from operating activities before taxation</b>		<b>7,994,022</b>	<b>9,428,283</b>
Taxation	13	-	-
<b>Net income after taxation</b>		<b>7,994,022</b>	<b>9,428,283</b>
<b>Allocation of net income:</b>			
Net income		7,994,022	9,428,283
Income already paid on units redeemed		(2,129,277)	(1,950,788)
		<b>5,864,745</b>	<b>7,477,495</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	43,557
- Excluding capital gains		<b>5,864,745</b>	<b>7,433,938</b>
		<b>5,864,745</b>	<b>7,477,495</b>
<b>Earnings per unit</b>	3.10		

The annexed notes from 1 to 27 form an integral part of these financial statements.

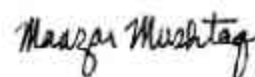
For MCB Investment Management Limited  
(Management Company)



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
Note	(Rupees in '000)	
Net income for the year after taxation	7,994,022	9,428,283
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>7,994,022</b>	<b>9,428,283</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

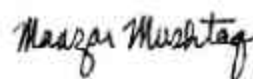
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

	Year ended June 30, 2024			Year ended June 30, 2023		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Note	(Rupees in '000)					
Net assets at beginning of the year	57,591,208	562,223	58,153,431	63,779,942	373,226	64,153,168
Issue of 1,946,841,469 units (2023: 2,865,456,428 units)						
- Capital value (at net asset value per unit at the beginning of the year)	197,970,593	-	197,970,593	290,400,827	-	290,400,827
- Element of income	2,164,101	-	2,164,101	1,977,780	-	1,977,780
	200,134,694	-	200,134,694	292,378,607	-	292,378,607
Redemption of 2,060,099,067 units (2023: 2,926,591,076 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(209,487,536)	-	(209,487,536)	(296,596,542)	-	(296,596,542)
- Amount paid out of element of income						
- Relating to 'Net income for the year after taxation'	(210,345)	(2,129,277)	(2,339,622)	(276,473)	(1,950,788)	(2,227,261)
	(209,697,881)	(2,129,277)	(211,827,158)	(296,873,015)	(1,950,788)	(298,823,803)
Total comprehensive income for the year	-	7,994,022	7,994,022	-	9,428,283	9,428,283
Interim distribution during the year (including additional units)	(1,945,386)	(5,711,609)	(7,656,995)	(1,694,326)	(7,288,498)	(8,982,824)
24	(1,945,386)	2,282,413	337,027	(1,694,326)	2,139,785	445,459
Net assets at end of the year	46,082,635	715,359	46,797,994	57,591,208	562,223	58,153,431
Undistributed income brought forward:						
- Realised		655,050			373,226	
- Unrealised		(92,827)			-	
		562,223			373,226	
Accounting income available for distribution						
- Relating to capital gains		-			43,557	
- Excluding capital gains		5,864,745			7,433,938	
		5,864,745			7,477,495	
Distributions during the year		(5,711,609)			(7,288,498)	
Undistributed income carried forward		715,359			562,223	
Undistributed income carried forward:						
- Realised		701,020			655,050	
- Unrealised		14,339			(92,827)	
		715,359			562,223	
		(Rupees)			(Rupees)	
Net asset value per unit at beginning of the year		101.6881			101.3454	
Net asset value per unit at end of the year		102.0403			101.6881	

The annexed notes from 1 to 27 form an integral part of these financial statements.

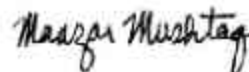
For MCB Investment Management Limited  
(Management Company)



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)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	7,994,022	9,428,283
<b>Adjustments for:</b>		
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss - net	(14,339)	92,827
	7,979,683	9,521,110
<b>(Increase) / decrease in assets</b>		
Investments - net	(30,662,082)	13,975,551
Profit receivable	213,266	430,309
Advances, deposits, prepayments and other receivable	(20,492)	40,586
	(30,469,308)	14,446,446
<b>(Decrease) / Increase in liabilities</b>		
Payable to Management Company	(40,728)	73,497
Payable to Trustee	(851)	111
Payable to Securities and Exchange Commission of Pakistan	(9,121)	4,655
Accrued expenses and other liabilities	(15,398)	(6,438)
	(66,098)	71,825
Net cash flow (used in) / generated from operating activities	(22,555,723)	24,039,381
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	198,189,308	290,684,281
Amount paid against redemption of units	(211,827,158)	(298,823,803)
Distributions made during the year	(5,711,609)	(7,288,498)
Net cash used in from financing activities	(19,349,459)	(15,428,020)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(41,905,182)	8,611,361
Cash and cash equivalents at beginning of the year	72,035,304	63,423,943
<b>Cash and cash equivalents at end of the year</b>	14	30,130,122
		72,035,304

The annexed notes from 1 to 27 form an integral part of these financial statements.

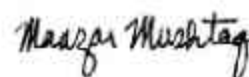
For MCB Investment Management Limited  
(Management Company)



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 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the Fund had been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I 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-end mutual fund and has been categorised as 'Money Market 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 a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.6 Pakistan Credit Rating Agency (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 to the Management Company and a stability rating of 'AA+(f)' dated March 08, 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. Such standards comprise of:

- International Financial Reporting Standards (IFRSs) 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.



## 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation 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 Fund's 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 judgements

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)
- Taxation (notes 3.4 and 13)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and Commitments (note 11)
- Provisions (3.3)

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 Basis of measurement

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

## 2.6 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.

## 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.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limits +50 bps.



# 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 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 derivatives) 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 distributors 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.
- Dividend income is recognised when the right to receive the dividend is established.
- Income / profit from investments in sukuk, 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 the Management Company, Trustee fee and SECP fee 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
<b>4. BANK BALANCES</b>			
In savings accounts	4.1	30,128,194	17,445,322
In current accounts	4.2	1,928	2,145
		<u>30,130,122</u>	<u>17,447,467</u>

**4.1** These carry profit rates ranging between 19% to 21.10% per annum (2023: 12.25% to 21.80% per annum). These include balances of Rs 22.112 million (2023: Rs 71.811 million) maintained with MCB Bank Limited (a related party).

**4.2** These includes balance of Rs. 1.893 million (2023: Rs. 67.559 million) maintained with MCB Bank Limited, a related party.

	Note	June 30, 2024 (Rupees in '000)	June 30, 2023
<b>5. INVESTMENTS</b>			
Financial assets 'at fair value through profit or loss' - net			
Government securities	5.1	17,067,547	58,664,000
Unlisted debt securities	5.2	-	-
		<u>17,067,547</u>	<u>58,664,000</u>

#### 5.1 Government securities

Market treasury bills	5.1.1	13,419,587	58,664,000
Pakistan Investment Bonds - floating rate bonds (FRB)	5.1.2	-	-
Government of Pakistan Ijara Sukuk (GoP) - Listed	5.1.3	3,647,960	-
		<u>17,067,547</u>	<u>58,664,000</u>



# 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		
(Rupees in '000)									
Treasury bills - 3 months	April 20, 2023	-	3,500,000	3,500,000	-	-	-	-	-
Treasury bills - 3 months	May 04, 2023	-	19,550,480	19,550,480	-	-	-	-	-
Treasury bills - 3 months	May 18, 2023	-	12,000,000	12,000,000	-	-	-	-	-
Treasury bills - 3 months	June 01, 2023	-	27,300,000	27,300,000	-	-	-	-	-
Treasury bills - 3 months	June 15, 2023	36,000,000	43,900,000	81,900,000	-	-	-	-	-
Treasury bills - 3 months	June 22, 2023	19,000,000	86,200,000	107,200,000	-	-	-	-	-
Treasury bills - 3 months	July 13, 2023	-	13,976,000	13,976,000	-	-	-	-	-
Treasury bills - 3 months	July 25, 2023	-	5,000,000	5,000,000	-	-	-	-	-
Treasury bills - 3 months	August 10, 2023	-	43,200,000	43,200,000	-	-	-	-	-
Treasury bills - 3 months	August 24, 2023	-	14,350,000	14,350,000	-	-	-	-	-
Treasury bills - 3 months	September 07, 2023	-	42,300,000	42,300,000	-	-	-	-	-
Treasury bills - 3 months	September 21, 2023	-	40,050,000	40,050,000	-	-	-	-	-
Treasury bills - 3 months	October 05, 2023	-	20,100,000	20,100,000	-	-	-	-	-
Treasury bills - 3 months	October 19, 2023	-	3,692,000	3,692,000	-	-	-	-	-
Treasury bills - 3 months	November 02, 2023	-	8,503,700	8,503,700	-	-	-	-	-
Treasury bills - 3 months	November 16, 2023	-	8,084,000	8,084,000	-	-	-	-	-
Treasury bills - 3 months	November 30, 2023	-	17,000,000	17,000,000	-	-	-	-	-
Treasury bills - 3 months	December 14, 2023	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	December 28, 2023	-	10,329,000	10,329,000	-	-	-	-	-
Treasury bills - 3 months	January 11, 2024	-	1,429,000	1,429,000	-	-	-	-	-
Treasury bills - 3 months	January 25, 2024	-	375,000	375,000	-	-	-	-	-
Treasury bills - 3 months	February 07, 2024	-	2,512,850	2,512,850	-	-	-	-	-
Treasury bills - 3 months	February 22, 2024	-	7,000,000	7,000,000	-	-	-	-	-
Treasury bills - 3 months	March 07, 2024	-	11,010,000	11,010,000	-	-	-	-	-
Treasury bills - 3 months	March 21, 2024	-	7,000,000	7,000,000	-	-	-	-	-
Treasury bills - 3 months	April 04, 2024	-	31,800,000	31,800,000	-	-	-	-	-
Treasury bills - 3 months	April 18, 2024	-	2,250,000	2,250,000	-	-	-	-	-
Treasury bills - 3 months	May 02, 2024	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	May 16, 2024	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	May 30, 2024	-	2,500,000	2,500,000	-	-	-	-	-
Treasury bills - 3 months	June 13, 2024	-	7,500,000	7,500,000	-	-	-	-	-
Treasury bills - 6 months	March 27, 2023	-	23,700,000.00	23,700,000	-	-	-	-	-
Treasury bills - 6 months	June 15, 2023	4,500,000	-	4,500,000	-	-	-	-	-
Treasury bills - 6 months	September 07, 2023	-	500,000	500,000	-	-	-	-	-
Treasury bills - 6 months	October 05, 2023	-	36,030	36,030	-	-	-	-	-
Treasury bills - 6 months	October 19, 2023	-	6,000,000	6,000,000	-	-	-	-	-
Treasury bills - 6 months	November 02, 2023	-	6,343,300	6,343,300	-	-	-	-	-
Treasury bills - 6 months	November 16, 2023	-	58,953,000	58,953,000	-	-	-	-	-
Treasury bills - 6 months	November 30, 2023	-	7,600,000	7,600,000	-	-	-	-	-
Treasury bills - 6 months	December 14, 2023	-	4,000,000	4,000,000	-	-	-	-	-
Treasury bills - 6 months	December 28, 2023	-	10,900,000	10,900,000	-	-	-	-	-
Treasury bills - 6 months	January 11, 2024	-	1,126,000	1,095,000	30,000	29,945	29,932	(13)	0.06
Treasury bills - 6 months*	March 07, 2024	-	1,500,000	1,500,000	-	-	-	-	-
Treasury bills - 6 months*	May 02, 2024	-	2,750,000	2,747,000	3,000	2,808	2,810	4	0.01

# 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 gain / (loss)			
									(Rupees in '000)		
Treasury bills - 6 months*	May 30, 2024	-	4,500,000	-	4,500,000	4,157,183	4,157,046	(137)	8.88	24.38	
Treasury bills - 6 months*	June 13, 2024	-	17,120,000	16,820,000	500,000	459,276	458,777	(499)	0.98	2.89	
Treasury bills - 12 months	April 06, 2023	-	4,047,500	-	-	-	-	-	-	-	
Treasury bills - 12 months	June 16, 2023	-	3,000,000	-	-	-	-	-	-	-	
Treasury bills - 12 months	July 13, 2023	-	28,755,000	-	-	-	-	-	-	-	
Treasury bills - 12 months	August 25, 2022	-	4,400,000	-	-	-	-	-	-	-	
Treasury bills - 12 months*	October 19, 2023	-	10,113,000	7,800,000	2,313,000	2,181,749	2,182,983	1,215	4.68	12.79	
Treasury bills - 12 months*	November 02, 2023	-	15,550,000	10,050,000	5,500,000	5,147,925	5,151,868	3,744	11.01	30.18	
Treasury bills - 12 months*	November 30, 2023	-	5,100,000	3,545,000	1,555,000	1,437,781	1,435,490	(1,291)	3.07	8.42	
As at June 30, 2024						13,416,566	13,419,587	3,021			
As at June 30, 2023						58,758,827	58,884,000	(92,827)			

\* These carry effective yield of ranging between 18% to 19% (2023: 21.45% to 22.16%) per annum.

## 5.1.2 Pakistan Investments Bonds - floating rate bond (FREI)

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 gain / (loss)			
(Rupees in '000)											
Pakistan investment bond - 2 years	August 26, 2021	-	17,000,000	17,000,000	-	-	-	-	-	-	-
Pakistan investment bond - 2 years	December 30, 2021	-	24,000,000	24,000,000	-	-	-	-	-	-	-
Pakistan investment bond - 2 years	September 08, 2022	-	8,000,000	8,000,000	-	-	-	-	-	-	-
As at June 30, 2024											
As at June 30, 2023											

## 5.1.3 Government of Pakistan Ijara Sukuk

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 gain		
(Rupees in '000)										
GOP Ijara - 1 year - (variable)	April 17, 2023	-	1,500,000	1,500,000	-	-	-	-	-	-
GOP Ijara - 1 year - (fixed)*	March 16, 2024	-	2,025,000	-	2,025,000	1,787,194	1,788,075	881	3.82	10.48
GOP Ijara - 1 year - (fixed)*	April 26, 2024	-	1,500,000	-	1,500,000	1,295,806	1,302,900	7,094	2.78	7.63
GOP Ijara - 1 year - (fixed)*	May 24, 2024	-	650,000	-	650,000	553,842	558,985	3,343	1.19	3.28
<b>Total as at June 30, 2024</b>						<b>3,936,842</b>	<b>3,647,960</b>	<b>11,318</b>		
Total as at June 30, 2023										

\* These carry effective yield of ranging between 18% to 19% (2023: Nil) per annum.

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

## 5.2 Unlisted debt securities

Term deposit receipts  
Letter of placements

5.2.1

Term deposit receipts

5.2.1

	June 30, 2024	June 30, 2023
Note		
5.2.1	-	-
5.2.2	-	-

Name of investee Company	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	Matured during the year	As at June 30, 2024	Carrying value	Market value		
Bank Afiaah Limited	August 26, 2023	-	4,800,000	4,800,000	-	-	-	-	-
Bank Afiaah Limited	November 21, 2023	-	1,500,000	1,500,000	-	-	-	-	-
Bank Afiaah Limited	March 25, 2024	-	1,500,000	1,500,000	-	-	-	-	-
As at June 30, 2024									
As at June 30, 2023									

Letter of placement

5.2.2

Name of investee Company	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	Matured during the year	As at June 30, 2024	Carrying value	Market value		
Pak Oman Investment Company Limited	July 05, 2023	-	500,000	500,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	July 05, 2023	-	4,900,000	4,900,000	-	-	-	-	-
Pak Oman Investment Company Limited	July 07, 2023	-	715,000	715,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	July 07, 2023	-	2,350,000	2,350,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	August 04, 2023	-	4,800,000	4,800,000	-	-	-	-	-
Pak Oman Investment Company Limited	August 24, 2023	-	715,000	715,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	August 24, 2023	-	4,850,000	4,850,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	September 01, 2023	-	1,200,000	1,200,000	-	-	-	-	-
Zenith Taradell Bank Limited	September 07, 2023	-	4,950,000	4,950,000	-	-	-	-	-
Pak Brunei Investment Company Limited	September 07, 2023	-	925,000	925,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	September 08, 2023	-	4,900,000	4,900,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	September 13, 2023	-	925,000	925,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	September 15, 2023	-	5,000,000	5,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 02, 2024	-	700,000	700,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 02, 2024	-	2,600,000	2,600,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 08, 2024	-	715,000	715,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 08, 2024	-	2,900,000	2,900,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 09, 2024	-	715,000	715,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 11, 2024	-	715,000	715,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 22, 2024	-	885,000	885,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	January 26, 2024	-	885,000	885,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	February 01, 2024	-	885,000	885,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	February 02, 2024	-	3,400,000	3,400,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	February 02, 2024	-	885,000	885,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	February 02, 2024	-	1,000,000	1,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	April 16, 2024	-	885,000	885,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	April 19, 2024	-	1,000,000	1,000,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	April 19, 2024	-	2,981,000	2,981,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	April 22, 2024	-	590,000	590,000	-	-	-	-	-
Pakistan Kuwait Investment Company Limited	May 13, 2024	-	885,000	885,000	-	-	-	-	-
As at June 30, 2024									
As at 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)	
<b>5.3 Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - net</b>			
Market value of investments	5.1.1 & 5.1.3	17,067,547	58,664,000
Carrying value of investments	5.1.1 & 5.1.3	17,053,208	58,756,827
		14,339	(92,827)
<b>6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE</b>			
Advance tax		25,686	18,650
Prepayments		272	248
Security deposit		100	100
Receivable against collection account		20,167	6,735
		46,225	25,733
<b>7. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	7.1	26,553	36,271
Sindh Sales Tax payable on management remuneration	7.2	3,452	4,715
Payable against allocated expenses	7.3	2,722	-
Payable against marketing and selling expenses	7.4	29,015	61,484
		61,742	102,470
<b>7.1</b>	Management Company has charged management fee at the rate of up to 7.5% of the gross earnings of the scheme, calculated on a daily basis. The remuneration is paid to Management Company on a monthly basis in arrears.		
<b>7.2</b>	Sindh Sales Tax on remuneration of Management Company has been charged at the rate of 13% (2023: 13%).		
<b>7.3</b>	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.		
<b>7.4</b>	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)	
<b>8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	8.1	1,871	2,624
Sindh Sales Tax payable on trustee remuneration	8.2	243	341
		2,114	2,965
<b>8.1</b>	From July 01, 2019, the Trustee is entitled to a remuneration at the rate of 0.055% per annum of the net assets to be paid monthly in arrears.		
<b>8.2</b>	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

### 9. 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 1, 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)	
<b>10. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for federal excise duty and related tax on			
- Management fee	10.1	54,267	54,267
- Sales load		19	19
Brokerage		337	2,610
Withholding tax on capital gains		18,236	24,740
Auditors' remuneration		953	845
Legal and professional charges		39	40
Other		57	6,779
		<b>73,908</b>	<b>89,300</b>

#### 10.1 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. 54.286 million (2023: Rs. 54.286 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. 0.118 (2023: Re. 0.095) per unit.

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

## 11. CONTINGENCIES AND COMMITMENTS

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

## 12. AUDITORS' REMUNERATION

	June 30, 2024	June 30, 2023
	(Rupees in '000)	
Annual audit fee	725	575
Half yearly review fee	395	322
Other certifications	80	180
Out of pocket expenses	168	166
	<u>1,368</u>	<u>1,243</u>
Sales Tax	109	99
	<u>1,477</u>	<u>1,342</u>

## 13. TAXATION

- 13.1 The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. 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.

## 14. CASH AND CASH EQUIVALENTS

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Bank balances	4.	30,130,122	17,447,467
Market Treasury Bills - 3 months	5.1.1	-	54,587,837
		<u>30,130,122</u>	<u>72,035,304</u>

## 15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 1.43% (2023: 1.04%) which includes 0.17% (2023: 0.1%) representing government levies on the Fund such as sales taxes and SECP fee, etc. The prescribed limit for the ratio is 2% (2023: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

## 16. 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.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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.



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

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:

	June 30, 2024	June 30, 2023
	————— (Rupees in '000) —————	
<b>16.1 Details of transactions other than units of the fund with with related parties / connected during the year</b>		
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration (including indirect taxes)	306,392	356,636
Allocated expenses	29,998	10,233
Selling and marketing expenses	165,127	176,680
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration (including indirect taxes)	24,631	36,270
CDC charges	8	4
<b>MCB Bank Limited</b>		
Profit on bank deposits	19,318	2,026
Bank charges	305	231
Purchase of securities - Face value: Rs 2,500,000,000 (2023: 14,344,305,000)	2,453,375	14,133,476
Sale of securities - Face value: Rs 25,476,065,000 (2023: Rs 20,745,300,000)	46,834,179	27,948,951
	June 30, 2024	June 30, 2023
	————— (Rupees in '000) —————	
<b>16.2 Details of balances with related parties / connected persons persons as at year end</b>		
<b>MCB Investment Management Limited</b>		
Management fee payable	26,553	36,271
Sales Tax payable on remuneration of the Management Company	3,452	4,715
Allocated expenses payable	2,722	-
Selling and marketing expenses payable	29,015	61,484
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	1,871	2,624
Sindh Sales Tax payable on trustee remuneration	243	341
<b>Receivable against collection account</b>	20,167	6,735
<b>MCB Bank Limited</b>		
Bank balance	22,112	71,811
Profit receivable on bank deposits	-	-

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

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

For the year ended 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)							
<b>Associated Companies</b>								
MCB Investment Management Limited	3,624,233	40,451,952	40,328,046	3,748,140	368,541	4,126,676	4,149,427	382,461
Leipir - Provident Fund	521,218	113,202	-	634,420	53,002	11,511	-	64,736
Leipir - Staff Gratuity Fund Trust	355,707	77,255	-	432,962	36,171	7,856	-	44,180
Adamjee Life Assurance Company Limited - Conventional Business	4,013,353	272,848	4,286,201	-	408,110	27,745	443,206	-
D.G. Khan Cement Company Limited Employees Provident Fund Trust	-	1,140,628	-	1,140,628	-	115,988	-	116,389
Adamjee Life Assurance Company Limited	416,301	7,769	424,070	-	42,333	790	43,123	-
MCB Financial Services Limited	2,232	406	-	2,638	227	41	-	269
Nishat Paper Products Company Limited - Staff Provident Fund Trust	68,081	317,748	-	385,829	6,923	32,311.20	-	39,370
D.G. Khan Cement Company Limited	3	1	-	4	-	-	-	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	173,616	524,110	697,726	-	17,655	53,286	71,445	-
Adamjee Insurance Company Limited - Employees Provident Fund	5,465	1,187	-	6,653	556	121	-	679
Security General Insurance Company Limited - Employees Provident Fund Trust	107,284	23,301	-	130,585	10,910	2,369	-	13,325
Sayed Engineers Limited	7,435	1,354	-	8,789	758	138	-	897
Adamjee Life Assurance Company Limited - Managed Growth Fund	1,790	11,387	13,177	-	182	1,158	1,361	-
<b>Total associated Companies</b>	<b>9,286,719</b>	<b>42,943,148</b>	<b>45,749,220</b>	<b>6,490,648</b>	<b>945,366</b>	<b>4,380,000</b>	<b>4,708,562</b>	<b>662,307</b>
<b>Key management personnel*</b>	<b>53,409,549</b>	<b>92,682,849</b>	<b>100,369,953</b>	<b>45,722,445</b>	<b>5,431,116</b>	<b>9,430,429</b>	<b>10,245,896</b>	<b>4,665,532</b>
<b>Mandate under discretionary portfolio services*</b>	<b>7,490,560</b>	<b>38,145,238</b>	<b>38,740,186</b>	<b>6,885,812</b>	<b>761,701</b>	<b>3,894,237</b>	<b>3,993,993</b>	<b>703,630</b>
<b>Unit holders holding 10% or more units *</b>	<b>114,276,082</b>	<b>-</b>	<b>114,276,082</b>	<b>-</b>	<b>11,620,517</b>	<b>-</b>	<b>11,620,517</b>	<b>-</b>

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

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

For the year ended 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) -----							
<b>Associated Companies</b>								
Adamiye Insurance Company Limited**	2,737,042	1,050,105	3,787,146	1	277,387	106,423	387,615	-
MCB Investment Management Limited	-	62,429,804	58,805,570	3,624,234	-	6,342,849	6,008,305	368,541
Adamiye Life Assurance Company Limited - Conventional Business	3,474,011	539,342	-	4,013,353	352,075	54,680	-	408,110
Adamiye Life Assurance Company Limited - Null Fund	1,523,731	5,085,864	6,609,595	-	154,423	515,522	674,226	-
Adamiye Life Assurance Company Limited	360,356	55,945	-	416,301	36,520	5,670	-	42,333
Adamiye Life Assurance Company Limited (IMF)	1,305,933	1,319,194	2,625,127	-	132,350	133,694	268,424	-
Adamiye Life Assurance Company Limited (ISF)	13,019,718	36,002,817	49,022,535	-	1,319,489	3,851,827	4,990,789	-
Adamiye Life Assurance Company Limited (ISF II)	5,747,888	30,095,680	35,843,569	-	582,522	3,056,253	3,652,709	-
D.G. Khan Cement Company Limited **	3	-	-	3	-	-	-	-
Nishat Power Limited Employees - Provident Fund Trust	122,690	20,796	143,486	-	12,434	2,108	14,558	-
Security General Insurance Company Limited	2,021,728	17,543	2,039,271	-	204,893	1,776	208,735	-
Adamiye Life Assurance Company Limited - Employees Gratuity Fund	259,792	31,704	117,880	173,616	26,329	3,213	12,000	17,655
Adamiye Insurance Company Limited - Employees Gratuity Fund**	333,855	547,709	881,563	1	33,835	55,508	89,799	-
Adamiye Insurance Company Limited - Employees Provident Fund	665,703	892,146	1,552,383	5,466	67,456	90,415	157,574	556
Security General Insurance Company Limited - Employees Provident Fund Trust	91,735	16,549	-	107,284	9,297	1,576	-	10,910
Sayed Engineers Limited	6,508	927	-	7,435	660	94	-	756
Adamiye Life Assurance Company Limited - DGF	-	1,991,083	1,991,083	-	-	202,243	204,118	-
Adamiye Life Assurance Company Limited - DSF	22,906	1,668,304	1,692,210	-	2,321	189,779	193,913	-
Adamiye Life Assurance Company Limited - Managed Growth Fund	-	34,949	33,159	1,790	-	3,542	3,391	192
Nishat Paper Products Company Limited - Staff Provident Fund Trust	172,688	48,188	150,795	68,081	17,501	4,681	15,300	6,923
<b>Total associated Companies</b>	<b>31,666,287</b>	<b>142,046,849</b>	<b>165,495,372</b>	<b>8,417,585</b>	<b>3,229,502</b>	<b>14,421,834</b>	<b>16,881,459</b>	<b>855,966</b>
<b>Key management personnel*</b>	<b>36,796,574</b>	<b>33,295,537</b>	<b>17,090,394</b>	<b>53,001,717</b>	<b>3,729,164</b>	<b>3,375,728</b>	<b>1,742,441</b>	<b>5,369,643</b>
<b>Mandate under discretionary portfolio services*</b>	<b>9,574,252</b>	<b>79,771,113</b>	<b>80,311,981</b>	<b>9,033,384</b>	<b>970,306</b>	<b>8,096,640</b>	<b>8,212,636</b>	<b>918,586</b>
<b>Unit holders holding 10% or more units *</b>	<b>138,589,039</b>	<b>456,798,915</b>	<b>481,111,872</b>	<b>114,276,082</b>	<b>14,045,362</b>	<b>46,302,708</b>	<b>48,981,487</b>	<b>11,820,517</b>

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

\*\* Nil figures due to rounding off



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

## 17. 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 recognized 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).

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

As at 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)						
<b>Financial assets measured at fair value</b>						
Market treasury bills	-	13,419,587	-	13,419,587	-	13,419,587
Government of Pakistan (Jara Sukuk)	-	3,647,960	3,647,960	-	-	3,647,960
	-	17,067,547	3,647,960	13,419,587	-	17,067,547
<b>Financial assets not measured at fair value</b>						
Bank balances	30,130,122	30,130,122				
Profit receivable	153,920	153,920				
Security deposit	100	100				
Receivable against collection account	20,167	20,167				
	30,304,309	30,304,309				
<b>Financial liabilities not measured at fair value</b>						
Payable to the Management Company	58,290	58,290				
Payable to the Trustee	1,871	1,871				
Payable against redemption of units	-	-				
Payable against purchase of Investment	459,504	459,504				
Dividend payable	17	17				
Accrued expenses and other liabilities	1,298	1,298				
	520,960	520,960				

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

	As at June 30, 2023		Fair Value			
	Carrying amount					
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
(Rupees in '000)						
Financial assets measured at fair value						
Market treasury bills	58,664,000	-	58,664,000	58,664,000	-	-
	58,664,000	-	58,664,000	58,664,000	-	-
Financial assets not measured at fair value						
Bank balances	-	17,447,487	17,447,487			
Profit receivable	-	367,186	367,186			
Security deposit	-	100	100			
Receivable against collection account	-	6,735	6,735			
	-	17,821,488	17,821,488			
Financial liabilities not measured at fair value						
Payable to the Management Company	-	97,755	97,755			
Payable to the Trustees	-	2,624	2,624			
Payable against purchase of investments	-	18,144,541	18,144,541			
Dividend payable	-	6	6			
Accrued expenses and other liabilities	-	10,212	10,212			
	-	18,255,138	18,255,138			

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

## 18. 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.

### 18.1 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 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, yield / interest rate risk and other price risk.

#### 18.1.1 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.

#### 18.1.2 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. 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 (Rupees in '000)	June 30, 2023
<b>Variable rate instrument (financial asset)</b>			
Bank balances		30,128,194	17,445,322
<b>Fixed rate instrument (financial asset)</b>			
Treasury Bills		13,419,587	58,664,000
Government of Pakistan ijara sukuk (GoP) - Listed		3,647,960	-
		<u>17,067,547</u>	<u>58,664,000</u>

#### a) Sensitivity analysis for variable rate instruments

As at June 30, 2024, the Fund holds KIBOR based 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 assets value of the Fund and the net income for the year would have been higher / lower by Rs. 301.282 million (2023: Rs. 174.453 million).

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund holds Market treasury bills and GoP ijara sukuk which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates available at Pakistan Stock Exchange (PSX), the net income for the year and net assets would be lower / higher by Rs. 170.674 million (2023: Rs. 586.64 million).



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

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:

As at June 30, 2024						
Yield / effective interest rate	Exposed to yield / interest risk				Total	
	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk		
----- % ----- (Rupees in '000) -----						
On-balance sheet financial instruments						
<b>Financial Assets</b>						
Bank balances	19.00 to 21.10	30,128,194	-	-	1,928	30,130,122
Investments	20.96 to 22.40	29,832	17,037,715	-	-	17,067,547
Profit receivable		-	-	-	153,920	153,920
Security deposit		-	-	-	100	100
Receivable against collection account		-	-	-	20,167	20,167
		30,158,026	17,037,715	-	176,115	47,371,856
<b>Financial Liabilities</b>						
Payable to Management Company		-	-	-	58,290	58,290
Payable to Trustee		-	-	-	1,871	1,871
Payable against purchase of investments		-	-	-	459,504	459,504
Dividend payable		-	-	-	17	17
Accrued expenses and other liabilities		-	-	-	1,298	1,298
		-	-	-	520,980	520,980
<b>On-balance sheet gap (a)</b>		30,158,026	17,037,715	-	(344,865)	46,850,876
<b>Total profit rate sensitivity gap</b>		30,158,026	17,037,715	-		
<b>Cumulative profit rate sensitivity gap</b>		30,158,026	47,195,741	47,195,741		

As at June 30, 2023						
Yield / effective interest rate	Exposed to yield / interest risk				Total	
	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk		
----- % ----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	12.25 to 21.80	17,445,322	-	-	2,145	17,447,467
Investments	21.45 to 22.16	54,587,837	4,076,163	-	-	58,664,000
Profit receivable		-	-	-	367,186	367,186
Security deposit		-	-	-	100	100
Receivable against collection account		-	-	-	6,735	6,735
		72,033,159	4,076,163	-	376,166	76,485,488
Financial liabilities						
Payable to Management Company		-	-	-	97,755	97,755
Payable to Trustee		-	-	-	2,624	2,624
Payable against purchase of investments		-	-	-	18,144,541	18,144,541
Dividend payable		-	-	-	6	6
Accrued expenses and other liabilities		-	-	-	10,212	10,212
		-	-	-	18,255,138	18,255,138
On-balance sheet gap (a)		72,033,159	4,076,163	-	(17,878,972)	58,230,350
Total profit rate sensitivity gap		72,033,159	4,076,163	-		
Cumulative profit rate sensitivity gap		72,033,159	76,109,322	76,109,322		

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

### 18.1.3 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.

### 18.2 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 and sukuk 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 financial institutions 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	30,130,122	30,130,122	17,447,467	17,447,467
Investments	17,067,547	-	58,664,000	-
Profit receivable	153,920	153,920	367,186	367,186
Security deposit	100	100	100	100
Receivable against collection account	20,167	20,167	6,735	6,735
	<b>47,371,856</b>	<b>30,304,309</b>	<b>76,485,488</b>	<b>17,821,488</b>

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	30,023,453	99.65	13,197,513	75.64
AA+	106,315	0.35	4,249,703	24.36
AA	354	0.00	251	0.00
	<b>30,130,122</b>	<b>100.00</b>	<b>17,447,467</b>	<b>100.00</b>

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

Investments in market treasury bills and GOP ijara sukuks 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 affecting 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.



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

## 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.

## 18.3 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.

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)					
<b>Financial assets</b>					
Bank balances	30,130,122	-	-	-	30,130,122
Investments	-	29,832	17,067,547	-	17,097,379
Profit receivable	153,920	-	-	-	153,920
Security deposit	100	-	-	-	100
Receivable against collection account	20,167	-	-	-	20,167
	30,304,309	29,832	17,067,547	-	47,401,688
<b>Financial liabilities</b>					
Payable to Management Company	58,290	-	-	-	58,290
Payable to Trustee	1,871	-	-	-	1,871
Payable against purchase of investments	459,504	-	-	-	459,504
Dividend payable	17	-	-	-	17
Accrued expenses and other liabilities	1,298	-	-	-	1,298
	520,980	-	-	-	520,980
<b>On-balance sheet gap</b>	29,783,329	29,832	17,067,547	-	46,880,707
<b>Total liquidity risk sensitivity gap</b>	29,783,329	29,832	17,067,547	-	-
<b>Cumulative liquidity risk sensitivity gap</b>	29,783,329	29,813,160	46,880,707	46,880,707	46,880,707



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

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)						
<b>Financial assets</b>						
Bank balances	17,447,467	-	-	-	-	17,447,467
Investments	-	54,587,837	4,076,163	-	-	58,664,000
Profit receivable	367,186	-	-	-	-	367,186
Security deposit	100	-	-	-	-	100
Receivable against collection account	6,735	-	-	-	-	6,735
	17,821,488	54,587,837	4,076,163	-	-	76,485,488
<b>Financial liabilities</b>						
Payable to Management Company	58,290	-	-	-	-	58,290
Payable to Trustee	1,871	-	-	-	-	1,871
Payable against purchase of investments	18,144,541	-	-	-	-	18,144,541
Dividend payable	6	-	-	-	-	6
Accrued expenses and other liabilities	10,212	-	-	-	-	10,212
	18,214,920	-	-	-	-	18,214,920
On-balance sheet gap	(393,432)	54,587,837	4,076,163	-	-	58,270,568
Total liquidity risk sensitivity gap	(393,432)	54,587,837	4,076,163	-	-	
Cumulative liquidity risk sensitivity gap	(393,432)	54,194,405	58,270,568	58,270,568	58,270,568	

### 19. 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.

### 20. 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
5	Syed Abid Ali	Head of Equities	MBA	16
6	Usama Iqbal	Fund Manager - Fixed Income Funds	Graduate	20

#### 20.1 Mr. Saad Ahmed is the Fund Manager. Details of the other funds being managed by him are as follows:

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

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

		2024 (Percentage)
<b>21.</b>	<b>TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID</b>	
1	Alfalalah CLSA Securities (Private) Limited	17.45
2	Optimus Market (Private) Limited	13.85
3	Continental Exchange (Private) Limited	13.28
4	C & M Management (Private) Limited	10.30
5	Paramount Capital (Private) Limited	9.23
6	Invest One Market (Private) Limited	7.62
7	Summit Capital (Private) Limited	7.07
8	Arif Habib Limited	5.36
9	AKD Securities Limited	4.50
10	Pearl Securities Limited	2.41
		2023 (Percentage)
1	Continental Capital Management (Private) Limited	24.38
2	Alfalalah CLSA Securities (Private) Limited	17.72
3	Optimus Market Private Limited	15.83
4	Invest One Markets Limited	8.55
5	Arif Habib Limited	6.99
6	C And M Management Private Limited	6.77
7	Paramount Capital (Private) Limited	6.00
8	Vector Capital Private Limited	5.44
9	Currency Market Associates (Private) Limited	1.66
10	Magenta Capital (Private) Limited	1.33

## 22. PATTERN OF UNITHOLDING

As at June 30, 2024				
	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage investment %
Individuals	6,763	222,311,175	22,684,690	48.47
Associated Companies	10	6,490,647	662,307	1.42
Directors	3	16,676	1,702	-
Insurance Companies	6	10,313,886	1,052,432	2.25
Bank / DFI	1	40	4	-
NBFC	1	145	15	-
Provident and Pensions funds	43	19,809,061	2,021,322	4.32
Public Limited Companies	50	145,176,499	14,813,847	31.65
Others	121	54,504,721	5,561,675	11.88
	<b>6,998</b>	<b>458,622,851</b>	<b>46,797,994</b>	<b>100.00</b>

As at June 30, 2023				
	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage investment %
Insurance Companies	6	3,634,078	369,542	0.64
Retirement Funds	83	25,552,197	2,598,354	4.47
Individuals	5,385	216,442,669	22,009,642	37.84
Others	145	314,177,853	31,948,146	54.94
NBFCs	2	3,656,090	371,781	0.64
Associated Companies	10	8,417,562	855,966	1.47
	<b>5,631</b>	<b>571,880,450</b>	<b>58,153,431</b>	<b>100</b>

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

### 23. ATTENDANCE 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 Mushlaq	Director	8	8	8	-	-
Mr. Shoaib Mumtaz	Director	8	8	5	3	192nd, 193rd, 195th
Mr. Khawaja Khalil Shah (Appointed on November 01, 2023)	Chief Executive Officer	8	3	3	-	-

### 24. INTERIM DISTRIBUTIONS 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 August 01, 2023	1.8978	August 01, 2023	182,191	743,317	925,508
For the period ended August 30, 2023	1.6149	August 30, 2023	193,590	570,359	763,949
For the period ended September 20, 2023	1.1953	September 20, 2023	148,189	435,096	583,285
For the period ended October 24, 2023	2.0377	October 24, 2023	204,590	656,222	860,812
For the period ended November 28, 2023	1.9888	November 28, 2023	179,431	526,207	705,638
For the period ended December 27, 2023	1.553	December 27, 2023	124,316	282,804	407,120
For the period ended January 30, 2024	1.9577	January 30, 2024	205,895	452,569	658,464
For the period ended February 28, 2024	1.4537	February 28, 2024	105,999	353,522	459,521
For the period ended March 27, 2024	1.4543	March 27, 2024	108,310	354,824	463,134
For the period ended May 06, 2024	2.2121	May 06, 2024	198,593	546,467	745,060
For the period ended May 29, 2024	1.3073	May 29, 2024	131,115	358,629	489,744
For the period ended June 25, 2024	1.4836	June 25, 2024	163,167	431,593	594,760
			<b>1,945,386</b>	<b>5,711,609</b>	<b>7,656,995</b>



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

June 30, 2023					
	Rate per unit	Declaration date	Refund of Capital	Distribution from Income	Total distribution
			(Rupees in '000)		
For the period ended July 25, 2022	1.0346	July 26, 2022	67,711	387,633	455,344
For the period ended August 29, 2022	1.3809	August 30, 2022	112,409	441,368	553,777
For the period ended September 27, 2022	1.2335	September 28, 2022	207,080	524,358	731,438
For the period ended October 25, 2022	1.1762	October 26, 2022	108,073	518,926	626,999
For the period ended November 25, 2022	1.3125	November 28, 2022	126,214	540,867	667,081
For the period ended December 23, 2022	1.1518	December 26, 2022	162,207	465,815	628,022
For the period ended January 20, 2023	1.0867	January 23, 2023	136,537	556,098	692,635
For the period ended February 22, 2023	1.3247	February 23, 2023	141,277	670,025	811,302
For the period ended March 08, 2023	0.5715	March 09, 2023	43,091	289,917	333,008
For the period ended March 27, 2023	1.0375	March 28, 2023	90,327	627,034	717,361
For the period ended April 13, 2023	0.8285	April 14, 2023	105,216	411,783	516,999
For the period ended May 03, 2023	1.153	May 04, 2023	96,124	618,292	714,416
For the period ended May 23, 2023	1.1036	May 24, 2023	97,110	541,857	638,967
For the period ended June 21, 2023	1.5664	June 22, 2023	200,952	694,525	895,477
			1,694,326	7,288,498	8,982,824

## 25. 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.

## 26. GENERAL

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

## 27. 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.

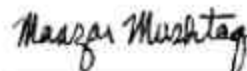
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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No. of Unit Holders	Unit holdings	Total units held
3,723	A. 001-10,000	60,353
959	B. 10,001 – 100,000	329,110
972	C. 100,001 – 1000,000	3,924,812
1,344	D. 1000,001 & Above	454,308,576
<u>6,998</u>		<u>458,622,851</u>

# PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2024

Performance Information	2024	2023	2022	2021	2020
Total Net Assets Value – Rs. in million	46,797.9940	58,153.4306	64,153.1678	34,029.6630	28,105.7866
Net Assets value per unit – Rupees	102.0403	101.6881	101.3454	100.9800	100.8561
Closing Offer Price	102.0403	101.6881	101.3454	100.9800	100.8561
Closing Repurchase Price	102.0403	101.6881	101.3454	100.9800	100.8561
Highest offer price per unit	103.8440	102.8537	102.2173	101.5507	101.4111
Lowest offer price per unit	101.6881	101.3210	100.9800	100.8561	100.6423
Highest Redemption price per unit	103.8440	102.8537	102.2173	101.5507	101.4111
Lowest Redemption price per unit	101.6881	101.3210	100.9800	100.8561	100.6423
Distribution per unit – Rs. *	20.1562	15.9858	10.0560	6.6874	11.8563
Average Annual Return - %					
One year	22.15	17.35	10.83	6.98	12.71
Two year	19.75	14.09	8.91	9.85	10.80
Three year	16.78	11.72	10.17	9.52	9.00
Net Income for the period – Rs. in million	7,994.0224	9,428.2827	3,738.3932	2,174.1650	2,297.7126
Distribution made during the year (Including Income already paid on units redeemed) – Rs. in million	7,840.8860	9,239.2860	3,524.3120	2,132.9930	2,236.3500
Accumulated Capital Growth – Rs. in million	153.1364	188.9967	214.0812	41.1720	88.0197
Weighted average Portfolio Duration (months)	2.00	2.58	0.03	0.03	0.03

\* Date of Distribution

2024		2023	
Date	Rate	Date	Rate
2-Aug-23	1.8978	26-Jul-22	1.0346
31-Aug-23	1.6149	30-Aug-22	1.3809
21-Sep-23	1.1953	28-Sep-22	1.2335
25-Oct-23	2.0377	26-Oct-22	1.1762
29-Nov-23	1.9888	28-Nov-22	1.3125
28-Dec-23	1.553	26-Dec-22	1.1762
9-Feb-24	1.9577	23-Jan-23	1.0867
9-Mar-24	1.4537	23-Feb-23	1.3247
28-Mar-24	1.4543	9-Mar-23	0.5715
7-May-24	2.2121	28-Mar-23	1.0375
30-May-24	1.3073	14-Apr-23	0.8285
24-Jun-24	1.4836	4-May-23	1.153
		24-May-23	1.1036
		22-Jun-23	1.5664

2022		2021		2020	
Date	Rate	Date	Rate	Date	Rate
28-Jul-21	0.5378	13-Jul-20	0.2642	22-Jul-19	0.6999
9-Aug-21	0.2347	20-Jul-20	0.14	5-Aug-19	0.4732
24-Aug-21	0.6364	12-Aug-20	0.3082	19-Aug-19	0.4808
6-Sep-21	0.2684	24-Aug-20	0.2357	11-Sep-19	0.8042
20-Sep-21	0.2955	7-Sep-20	0.229	23-Sep-19	0.4381
5-Oct-21	0.3346	21-Sep-20	0.2539	7-Oct-19	0.51
22-Oct-21	0.3685	5-Oct-20	0.2621	21-Oct-19	0.5122
8-Nov-21	0.3449	19-Oct-20	0.2752	4-Nov-19	0.495
22-Nov-21	0.2783	9-Nov-20	0.3941	18-Nov-19	0.4501
29-Dec-21	1.015	23-Nov-20	0.2524	9-Dec-19	0.6885
13-Jan-22	0.4663	7-Dec-20	0.2542	23-Dec-19	0.4998
28-Feb-22	1.2644	21-Dec-20	0.2582	6-Jan-20	0.5102
11-Mar-22	0.283	30-Dec-20	0.1747	20-Jan-20	0.5019
18-Mar-22	0.2224	22-Jan-21	0.4282	10-Feb-20	0.7188
18-Apr-22	0.9843	8-Feb-21	0.3254	24-Feb-20	0.4842
19-May-22	1.0325	22-Feb-21	0.2532	9-Mar-20	0.4939
2-Jun-22	0.5356	8-Mar-21	0.2568	24-Mar-20	0.5943
23-Jun-22	0.9534	22-Mar-21	0.271	6-Apr-20	0.4626
		5-Apr-21	0.2778	20-Apr-20	0.5675
		19-Apr-21	0.2922	4-May-20	0.4359
		27-May-21	0.7093	18-May-20	0.2786
		8-Jun-21	0.2287	8-Jun-20	0.4499
		25-Jun-21	0.3429	22-Jun-20	0.3067

## 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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