



MCB FUNDS
Investments for Life

ANNUAL REPORT 2024

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN STOCK MARKET FUND

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FUND'S INFORMATION

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

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

Dear Investor,

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

Economy Review

Fiscal year 2024 marked a period of macroeconomic recovery for Pakistan, averting a looming default brought about by continued economic mismanagement. This turnaround was primarily attributed to Pakistan entering a new IMF program after several months of delay. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3.0 billion from the IMF in June 23, and managed to receive timely rollovers from friendly countries. It also showed unwavering commitment to remain compliant with the IMF targets and as a result government was able to successfully complete the program.

The caretaker government took office in August 2023 and immediately faced speculative pressure on the currency, causing it to spike to a record high of 307 in the interbank market. Exchange rate in informal market reached a higher of near 330 PKR/USD reflecting an increase of speculative activity and rampant uncertainty. The government took decisive steps against smuggling of dollar, abuse of Afghan Transit and illegal money dealers in September 2023, which spurred a rapid recovery in the exchange rate.

This helped in improving confidence and narrower spreads in open and interbank rates. The authorities also placed mechanisms to strictly monitor exchange rate payments to manage the overall external balance. Combination of both administration measures and steps to discipline external and fiscal accounts helped restore overall stability. The USD PKR close the year at 278.3 appreciating by 2.6% since the start of the year.

Country posted a current account deficit (CAD) of USD 464 million in the first eleven months of the fiscal year 2024 (11MFY24) declining by 88% YoY compared to a deficit of USD 3.8 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 11.3% increase in exports coupled with an 2.3% drop in imports led to a 17.0% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 9.4 billion as of June 2024 compared to USD 4.4 billion at the end of last fiscal year. This was on account of flows from the IMF, friendly countries and multilateral sources.

Headline inflation represented by CPI averaged 23.9% during the fiscal year 2024 compared to 29.0% last year. Inflation remained on the higher side as massive currency depreciation in the prior periods led to surge in food and energy prices. The government also hiked electricity base tariff and gas prices to comply with the IMF conditions, which led to further inflationary pressures. The SBP reduced the policy rate by 150bps to 20.5% in the last monetary policy of the year held on June 10, 2024. The monetary policy noted a significant decline in inflation, resulting in a substantially positive real interest rate, which justifies initiating a monetary easing cycle.

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

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

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.

Equity Market Review

The stock market witnessed exuberance in fiscal year 2024, as the benchmark KSE-100 increased by staggering 89.2% or 36,992 points, to close at all time high of 78,445 points. This also makes Pakistan the best performing market in the world with USD return of 94.4% in the year.

The bullish momentum continued throughout the year was on account of improvement in macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the successful completion of all IMF reviews under SBA. Moreover, the successful conclusion of elections in February 2024 brought long due clarity amongst investors. In addition, reaffirmation by the incumbent government to continue structural reforms, along with the intention to enter a longer IMF program, further uplifted sentiment. Lastly, the strength of the local currency post-crackdown on currency smuggling and hoarding, strong corporate profitability, increase in taxes on other asset classes in the budget FY25, and start of monetary easing with 150bps cut, all contributed to the sustainable rally.

During FY24, Foreign investors, Insurance, and Corporates were net buyers with an inflow of USD 141 million, USD 126 million and USD 36 million, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 141 million and USD 48 million, respectively. During FY24, average trading volumes for KSE-All Index saw an increase of 140.4% to 461 million shares compared to about 191 million shares in the same period last year. Similarly, the average trading value during the period saw a rise of 118.5% over previous year to near USD 55 million.

Banking, Fertilizer, and E&P sector were the major contributors to the index gain adding 13,262/5,074/4,300 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring besides strong profitability. Fertilizer sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt, which would improve the sector cash flows.

FUND PERFORMANCE

During the period, MCB PSM generated a return of 91.15% as compared to a return of 89.24% witnessed by the KSE-100 Index. Overall equity exposure stood at 94.5% on June 30, 2024. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cements, Pharmaceuticals and textile Composite Companies.

The Net Assets of the fund as at June 30, 2024 stood at Rs. 7,216 million as compared to Rs. 4,821 million as at June 30, 2023 registering an increase of 49.68%.

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The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 150.9441 as compared to opening NAV of Rs. 84.2678 per unit as at June 30, 2023 registering an increase of 66.6763 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.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 9.8%, a discount of 48% from its historical average of 18.9%. Similarly, Earning Yield minus Risk Free Rate is close to 7.2%, compared to the historical average of 3.0% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies, which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 4.7x, while offering a dividend yield of 11.2%.

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

MUTUAL FUND INDUSTRY REVIEW

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

In terms of the segment share, Money Market funds were the leader with a share of around 50.8%, followed by Income funds with 37.3% and Equity and Equity related funds having a share of 9.9% as at the end of June 30, 2024.

MUTUAL FUND INDUSTRY OUTLOOK

Both Bonds and Equities are likely to do well in the next year on the back of cut in interest rates. During the year, significant interest of investors is already visible in Income Funds while equity fund is likely to see inflows post new IMF agreement. Relatively High interest rates during the period would encourage sustained flows in the money market funds as they are ideal for investors with a short-term horizon and low risk profile.

Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

MANAGEMENT COMPANY

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

Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 07, 2023 have resolved via special resolution that the name of the Company be changed from MCB-Arif Habib Savings and Investments Limited to MCB Investment Management Limited and Securities and Exchange Commission of Pakistan (SECP) has approved the change in name on August 15, 2023.

CORPORATE GOVERNANCE

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

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

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

The details of above are as under:

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

* HR&R stands for Human Resource and Remuneration

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

The Board of Directors is pleased to report that:

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

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

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

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

1. Meeting of the Audit Committee.

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

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

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FOR THE YEAR ENDED JUNE 30, 2024**

2. Meeting of the Human Resource and Remuneration Committee.

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

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

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

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1	Syed Savail Meekal Hussain	Director	5,562.62	-	6,544.26

EXTERNAL AUDITORS

The Fund's external auditor's **M/s. A.F Ferguson & Co. 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. A.F Ferguson & Co. 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. A.F Ferguson & Co. Chartered Accountants** has also expressed their willingness to act as the Fund's external auditors.

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

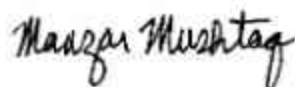
ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
September 25, 2024



Manzar Mushtaq
Director
September 25, 2024

ڈائریکٹرز رپورٹ

سیریل نمبر	نام	عہدہ	سرمایہ کاری	واپسی	ڈیویڈنڈ کی تقسیم
			(پونٹوں کی تعداد)		
1.	سید ساویل میکال حسین	ڈائریکٹر	5,562.62	-	6,544.26

بیرونی آڈیٹرز

فنڈ کے بیرونی آڈیٹرز ایم اے ایف فرگوسن اینڈ کو 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 اے ایف فرگوسن اینڈ کو 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 اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے بیرونی آڈیٹرز کے طور پر کام کرنے پر آمادگی ظاہر کی ہے۔

اعتراف

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

ڈائریکٹرز کی جانب سے،

Masrur Mushtaq

خولجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

25 ستمبر 2024

منظر مشتاق

منظر مشتاق

ڈائریکٹر

25 ستمبر 2024

ڈائریکٹرز رپورٹ

جون 2024 کو ختم ہونے والے سال 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۔

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

2۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا اجلاس۔

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

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

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

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

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

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

g. لسٹنگ ریگولیشن 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 ریگولیشن نمبر 20 میں موجود ہے۔

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

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

m. بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ ذیل میں سال مجسمہ 30

ڈائریکٹرز رپورٹ

سیریل نمبر	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
1	بارون رشید صاحب	ٹان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2	جناب شعیب ممتاز	ٹان ایگزیکٹو ڈائریکٹر	* ایچ آر اینڈ آر کمیٹی
3	جناب احمد جہانگیر	ٹان ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی آڈٹ کمیٹی
4	جناب منظر مشتاق	ٹان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5	سید سادیل میکال حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیرمین)
6	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیرمین)
7	محترمہ ماورا عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی

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

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

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

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

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

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

مینجمنٹ کمپنی

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

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

کارپوریٹ گورننس

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

4. نان-ایگزیکٹو ڈائریکٹرز؛

3. خود مختار ڈائریکٹرز؛ اور

1. ایگزیکٹو ڈائریکٹر (CEO)۔

مندرجہ بالا تفصیلات درج ذیل ہیں:

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

کیپٹل مارکیٹ کے نقطہ نظر سے خاص طور پر ایکویٹیز، مارکیٹ اب بھی سستی قیمتوں پر ٹریڈ کر رہی ہے۔ مارکیٹ کیپ ٹو جی ڈی پی کا تناسب 9.8 فیصد پر ہے، جو اس کی تاریخی اوسط 18.9 فیصد سے 48 فیصد کی چھوٹ ہے۔ اسی طرح، ارننگ پیبلڈ مائنس رسک فری ریٹ 7.2 فیصد کے قریب ہے، جو کہ 3.0 فیصد کی تاریخی اوسط کے مقابلے میں ایک گہری رعایت کی نشاندہی کرتا ہے جس پر مارکیٹ ٹریڈ کر رہی ہے۔ بیرونی اکاؤنٹ پر چیلنجز کا حل مارکیٹ کی صلاحیت کو کھولنے میں مدد کرے گا۔ ہمیں یقین ہے کہ سیکٹرز اور اسٹاکس کا ایک مائیکرو ویو اہم رہے گا اور سرمایہ کاری کے انتخاب کو ان کمپنیوں پر توجہ مرکوز کرنی چاہیے، جو اپنی اصل قیمت پر گہری رعایت پر تجارت کرتی ہیں۔ مارکیٹ فی الحال 4.7x PER پر ٹریڈ کر رہی ہے، جبکہ 11.2 فیصد کی منافع بخش پیداوار پیش کر رہی ہے۔

میوچل فنڈ انڈسٹری کا جائزہ

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

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

میوچل فنڈ انڈسٹری آؤٹ لک

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

30 جون 2023 اور پنگ میٹ امایش (NAV) کی قیمت فی یونٹ 84.2678 روپے تھی جب کہ 30 جون 2024 کو یہ فی یونٹ 150.9441 روپے رہی جو 66.6763 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 ٹھلی طرف رہنے کا امکان ہے۔

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

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

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

ایم ایف پروگرام میں داخل ہونے کے ارادے سے جذبات میں مزید اضافہ ہوا۔ آخر میں، کرنسی کی اسمگلنگ اور ذخیرہ اندوزی کے خلاف کریک ڈاؤن کے بعد مقامی کرنسی کی طاقت، مضبوط کارپوریٹ منافع، بجٹ FY25 میں دیگر امانت جات پر ٹیکسوں میں اضافہ اور 150bps کی کٹوتی کے ساتھ مالیاتی نرمی کا آغاز، سبھی نے پائیدار ریلی میں حصہ ڈالا۔

مالی سال 24 کے دوران، غیر ملکی سرمایہ کار، انشورنس، اور کارپوریشنس بالترتیب 141 USD ملین، 126 USD ملین اور 36 USD ملین کے خالص خریدار تھے۔ جبکہ بینکوں اور میوچل فنڈز سے بالترتیب 141 USD ملین اور 48 USD ملین کی بڑی فروخت دیکھی گئی۔

FY24 کے دوران KSE-ALL INDEX کے لیے اوسط تجارتی حجم میں گزشتہ سال کی اسی مدت میں تقریباً 191 ملین شیئرز کے مقابلے میں 140.4 فیصد اضافے سے 461 پر جا پہنچی۔ اسی طرح، اس مدت کے دوران اوسط تجارتی قدر میں پچھلے سال کے مقابلے میں 118.5 فیصد اضافہ ہوا جو 55 ملین امریکی ڈالر کے قریب پہنچ گیا۔

بینکنگ، فریلائزر، اور ای اینڈ پی سیکٹر انڈیکس کے اضافے میں بالترتیب 4,300 / 5,074 / 13,262 پوائنٹس کا اضافہ کرنے والے اہم شراکت دار تھے۔ بینکنگ سیکٹر میں وسیع الہیاد ریلی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخلے نے مضبوط منافع کے علاوہ مقامی قرضوں کی تنظیم نو کے امکانات کو کم کر دیا۔ کھاد کے شعبے نے متوقع منافع سے بہتر کارکردگی کا مظاہرہ کیا جبکہ گیس سرکیولر ڈیٹ کی منظوری کی خبروں کی وجہ سے ای اینڈ پی میں تیزی آئی، جس سے سیکٹر کیش فلو میں بہتری آئے گی۔

فنڈ کی کارکردگی

اس مدت کے دوران، ایم سی بی پی ایس ایم نے KSE-100 انڈیکس کے 89.24 فیصد کے ریٹرن کے مقابلے میں 91.15 فیصد ریٹرن دیا۔ 30 جون 2024 کو مجموعی طور پر ایکویٹی میں سرمایہ کاری 94.5 فیصد رہی۔ فنڈ بیرونی عوامل سے چوکنہ رہا اور سرمایہ کاری کی حکمت عملی بنیادی پیش رفت کو مد نظر رکھتے ہوئے تیار کی گئی۔ یہ مختص بنیادی طور پر کمرشل بینکوں، سیمینٹس، فارماسیوٹیکل اور ٹیکسٹائل کمپوزٹ کمپنیوں میں کی گئی تھی۔

30 جون 2023 تک فنڈ کے خالص اثاثے 4,821 ملین روپے تھے جب کہ 30 جون 2024 کو یہ 7,216 ملین روپے رہے جو 49.68 فیصد کے اضافے کو ظاہر کرتے ہیں۔

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

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

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

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2024 میں اسٹاک مارکیٹ میں جوش و خروش دیکھا گیا، کیونکہ بینچ مارک KSE-100 حیرت انگیز طور پر 89.2 فیصد یا 36,992 پوائنٹس کے اضافے سے 78,445 پوائنٹس کی بلند ترین سطح پر بند ہوا۔ یہ پاکستان کو سال میں 94.4 فیصد امریکی ڈالر کی واپسی کے ساتھ دنیا کی بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹ بھی بناتا ہے۔

پاکستان کے نئے آئی ایم ایف پروگرام میں داخل ہونے کے بعد میکرو اکنامک اشاریوں میں بہتری کی وجہ سے تیزی کی رفتار سال بھر جاری رہی۔ مارکیٹ کے شرکاء نے SBA کے تحت IMF کے تمام جائزوں کی کامیاب تکمیل پر بھی خوشی کا اظہار کیا۔ مزید برآں، فروری 2024 میں انتخابات کے کامیاب اختتام نے سرمایہ کاروں کے درمیان طویل واضح وضاحت کی۔ مزید برآں، موجودہ حکومت کی طرف سے ڈھانچہ جاتی اصلاحات جاری رکھنے کی تصدیق کے ساتھ ساتھ ایک طویل آئی

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے 30 جون 2024 کو ختم ہونے والے سال کے اکاؤنٹس کا جائزہ پیش کرنے پر خوشی ہے۔

معیشت کا جائزہ

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

نگراں حکومت نے اگست 2023 میں اقتدار سنبھالا اور فوری طور پر کرنسی پر قیاس آرائی کے دباؤ کا سامنا کرنا پڑا، جس کی وجہ سے یہ انٹرنیٹ مارکیٹ میں 307 کی بلند ترین سطح پر پہنچ گئی۔ غیر رسمی مارکیٹ میں زر مبادلہ کی شرح 330 USD / PKR کے قریب پہنچ گئی جو قیاس آرائیوں کی سرگرمیوں میں اضافے اور غیر یقینی صورتحال کی عکاسی کرتی ہے۔ حکومت نے ستمبر 2023 میں ڈالر کی اسمگلنگ، افغان ٹرانزٹ کے غلط استعمال اور غیر قانونی کرنسی ڈیلرز کے خلاف فیصلہ کن اقدامات کیے، جس سے شرح مبادلہ میں تیزی سے بحالی ہوئی۔ اس سے اعتماد کو بہتر بنانے میں مدد ملی اور اوپن اور انٹرنیٹ 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 مالی کھاتوں کے لگم 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 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو گزشتہ سال کی اسی مدت میں 3.8 USD بلین کے خسارے کے مقابلے میں 88 فیصد کم ہے۔ تجارتی خسارہ کم ہوتا CAD کو بہتر بنانے میں اہم کردار ادا کرنے والا تھا کیونکہ برآمدات میں 11.3 فیصد اضافہ اور درآمدات میں 2.3 فیصد کمی سے تجارتی خسارے میں 17.0 فیصد کمی واقع ہوئی۔ جون 2024 تک اسٹیٹ بینک کے ز مبادلہ کے ذخائر بڑھ کر 9.4 بلین امریکی ڈالر ہو گئے جو کہ گزشتہ مالی سال کے اختتام پر 4.4 بلین امریکی ڈالر کے

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

Fund Type and Category

Pakistan Stock Market Fund (PSM) is an Open-End Equity Scheme.

Fund Benchmark

The benchmark for PSM is KSE 100 Index.

Investment Objective

The objective of the fund is to provide investors long term capital appreciation from its investment in Pakistani equities

Investment Strategy

Pakistan Stock Market Fund (PSM) is an open-end equity fund that invests in quality stocks listed in Pakistan. The fund is actively managed and fundamental research drives the investment process. Fundamental outlook of sectors/companies and DCF (discounted cash flow) valuations are the primary factors in sectors' allocation and stock selection. Major portion of the fund's portfolio is high quality liquid stocks. The funds which are not invested in equities are required to be kept in bank deposits and short-term money market instruments/ placements.

Manager's Review

During the period, PSM generated a return of 91.15% as compared to a return of 89.24% witnessed by the KSE100 Index. Overall equity exposure stood at 94.5% on June 30, 2024, with major allocation in Commercial Banks, Cements, and Pharmaceuticals.

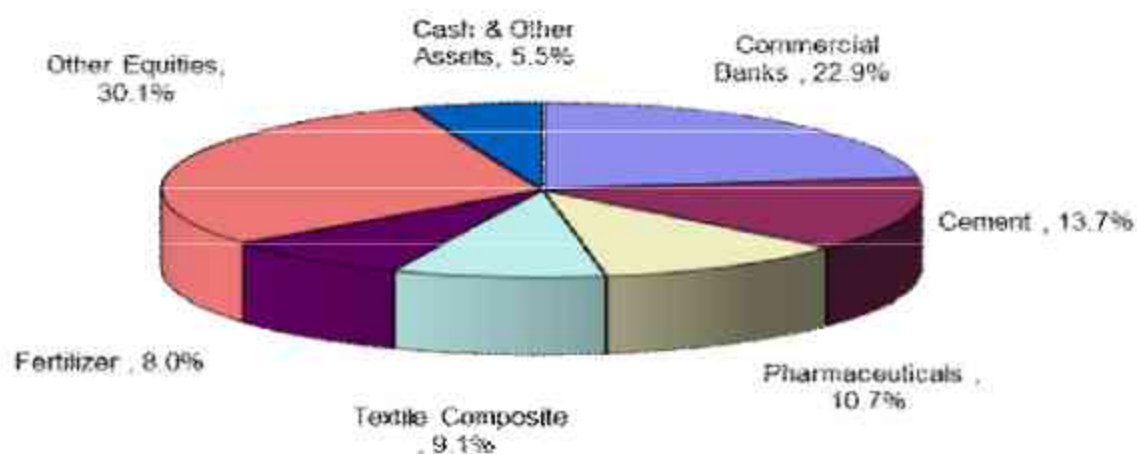
The Net Assets of the fund as at June 30, 2024 stood at Rs. 7,216 million as compared to Rs. 4,821 million as at June 30, 2023 registering an increase of 49.7%. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 150.9441 as compared to opening NAV of Rs. 84.2678 per unit as at June 30, 2023 registering an increase of 66.6763 per unit.

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

Asset Allocation (%age of Total Assets)	Jun-24
Stocks / Equities	94.5%
Cash	4.3%
Others including receivables	1.2%

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

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



Awais Abdul Sattar, CFA
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 Shahr-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN STOCK MARKET FUND

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

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

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

For the attention of unit holders, during an onsite inspection of the Management Company, the Securities and Exchange Commission of Pakistan (SECP) identified certain matters related to the charging and allocation of selling and marketing expenses to the Fund. Accordingly, the Management Company, following the guidance and interpretation provided by the SECP, will compensate to the entitled unit holders.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 30, 2024



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



A.F. FERGUSON & Co.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of MCB Pakistan Stock Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCB Pakistan Stock Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy 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 the 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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 period. These matters were 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 these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements) Investments constitute the most significant component of the net asset value. Investment of the Fund as at June 30, 2024 amounted to Rs. 6,975,458 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Affel

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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Other Matter

The financial statements of the Fund for the year ended June 30, 2023, were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 22, 2023.

Other Information

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

Management 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 management 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 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 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 is 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.

A.F.F.

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

3



A.F. FERGUSON & Co.

- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: October 4, 2024
UDIN: AR202410611QkX9AoN76

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2024

	Note	June 30, 2024 ---- (Rupees in '000) ----	June 30, 2023
ASSETS			
Balances with banks	4	319,017	304,260
Investments	5	6,975,458	4,574,203
Receivable against sale of investments		62,761	90,141
Advances, deposits and other receivables	6	26,157	23,423
Total assets		7,383,393	4,992,027
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	7	26,421	27,228
Payable to Central Depository Company of Pakistan Limited - Trustee	8	741	556
Payable to the Securities and Exchange Commission of Pakistan	9	546	1,396
Payable against purchase of investments		43,796	70,351
Accrued expenses and other liabilities	10	95,809	71,383
Payable against redemption of units		386	386
Total liabilities		167,699	171,300
NET ASSETS		7,215,694	4,820,727
Unit holders' fund (as per statement attached)		7,215,694	4,820,727
Contingencies and Commitments	11		
NUMBER OF UNITS IN ISSUE			
		47,803,766	57,207,222
NET ASSET VALUE PER UNIT			
		150.9441	84.2678

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

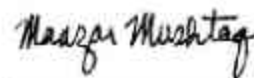
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	Note	For the year ended	
		June 30, 2024	June 30, 2023
		----- (Rupees in '000) -----	
INCOME			
Income from government securities		-	3,677
Net realised gain / (loss) on sale of investments		2,187,564	(159,784)
Dividend income		389,109	536,451
Profit on savings accounts with banks		35,584	44,342
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	1,206,787	(422,659)
Other income		339	344
Total income		3,819,383	2,371
EXPENSES			
Remuneration of MCB Investment Management Limited - Management Company	7.1	161,293	139,616
Sindh Sales Tax on remuneration of the Management Company	7.2	20,968	18,150
Allocated expenses	7.3	6,016	6,981
Selling and marketing expenses	7.4	29,740	90,750
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	6,666	7,981
Sindh Sales Tax on remuneration of the Trustee	8.2	867	1,038
Fee to the Securities and Exchange Commission of Pakistan	9	5,383	1,396
Auditors' remuneration	12	1,301	1,300
Brokerage, settlement and bank charges		38,294	2,454
Fees and subscription		-	28
Legal and professional charges		188	173
Securities and transaction cost		-	30,699
Printing and related costs		34	40
Total expenses		270,750	300,606
Net income / (loss) for the year before taxation		3,548,633	(298,235)
Taxation	13	-	-
Net income / (loss) for the year after taxation		3,548,633	(298,235)
Earnings / (loss) per unit	3.12		
Allocation of net income for the year			
Net income for the year after taxation		3,548,633	-
Income already paid on units redeemed		(899,323)	-
		2,649,310	-
Accounting income available for distribution			
- Relating to capital gains		2,534,394	-
- Excluding capital gains		114,916	-
		2,649,310	-

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

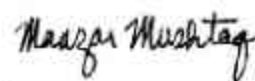
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	For the year ended	
	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----	
Net income / (loss) for the year after taxation	3,548,633	(298,235)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u><u>3,548,633</u></u>	<u><u>(298,235)</u></u>

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

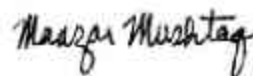
For MCB Investment Management Limited
(Management Company)



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
	(Rupees in '000)					
Net assets at the beginning of the year	1,704,302	3,116,425	4,820,727	5,460,672	3,414,660	8,875,332
Issuance of 54,561,113 units (2023:16,684,967) units						
- Capital value (at ex-net assets value per unit at the beginning of the year)	4,597,745	-	4,597,745	1,443,322	-	1,443,322
- Element of income / (loss)	2,931,993	-	2,931,993	(33,229)	-	(33,229)
Total proceeds on issuance of units	7,529,738	-	7,529,738	1,410,093	-	1,410,093
Redemption of 63,964,569 units (2023:62,078,145) units						
- Capital value (at ex-net assets value per unit at the beginning of the year)	(5,390,154)	-	(5,390,154)	(5,370,002)	-	(5,370,002)
- Element of (loss) / income	(1,943,921)	(899,323)	(2,843,244)	203,539	-	203,539
Total payments on redemption of units	(7,334,075)	(899,323)	(8,233,398)	(5,166,463)	-	(5,166,463)
Total comprehensive income / (loss) for the year	-	3,548,633	3,548,633	-	(298,235)	(298,235)
Distribution for the year ended June 30, 2024	-	(341,690)	(341,690)	-	-	-
@ Rs. 10 per unit (declared on June 25, 2024)	(108,316)	-	(108,316)	-	-	-
Refund of capital for the year ended June 30, 2024	(108,316)	-	(108,316)	-	-	-
Net income for the year less distribution	(108,316)	3,206,943	3,098,627	-	(298,235)	(298,235)
Net assets at the end of the year	<u>1,791,649</u>	<u>5,424,045</u>	<u>7,215,694</u>	<u>1,704,302</u>	<u>3,116,425</u>	<u>4,820,727</u>
Undistributed income brought forward						
- Realised income	3,539,084			4,798,062		
- Unrealised loss	(422,659)			(1,383,402)		
	3,116,425			3,414,660		
Accounting income available for distribution						
- Relating to capital gains	2,534,394			-		
- Excluding capital gains	114,916			-		
	2,649,310			-		
Distributions made during the year	(341,690)			-		
Net loss for the year after taxation	-			(298,235)		
Undistributed income carried forward	<u>5,424,045</u>			<u>3,116,425</u>		
Undistributed income carried forward						
- Realised income	4,217,258			3,539,084		
- Unrealised income / (loss)	1,206,787			(422,659)		
	<u>5,424,045</u>			<u>3,116,425</u>		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year	<u>84.2678</u>			<u>86.5039</u>		
Net asset value per unit at the end of the year	<u>150.9441</u>			<u>84.2678</u>		

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

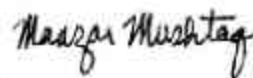
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	Note	For the year ended	
		June 30, 2024	June 30, 2023
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		3,548,633	(298,235)
Adjustments for:			
Dividend income		(389,109)	(536,451)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	(1,206,787)	422,659
		1,952,737	(412,027)
(Increase) / decrease in assets			
Investments - net		(1,194,468)	3,603,629
Receivable against sale of investments		27,380	58,317
Advances, deposits and other receivables		(2,734)	(1,079)
		(1,169,822)	3,660,867
Decrease in liabilities			
Payable to MCB Investment Management Limited - Management Company		(807)	(21,235)
Payable to Central Depository Company of Pakistan Limited - Trustee		185	(364)
Payable to the Securities and Exchange Commission of Pakistan		(850)	(835)
Payable against purchase of investments		(26,555)	(29,963)
Accrued expenses and other liabilities		24,426	(3,443)
		(3,601)	(55,840)
Dividend received		389,109	537,834
Net cash generated from operating activities		1,168,423	3,730,834
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net of refund of capital		7,421,422	1,410,093
Payments against redemption and conversion of units		(8,233,398)	(5,166,463)
Dividend paid		(341,690)	-
Net cash used in financing activities		(1,153,666)	(3,756,370)
Net increase / (decrease) in cash and cash equivalents during the year		14,757	(25,537)
Cash and cash equivalents at the beginning of the year		304,260	329,797
Cash and cash equivalents at the end of the year	4	319,017	304,260

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

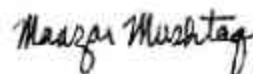
For MCB Investment Management Limited
(Management Company)



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 Pakistan Stock Market Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited (now: MCB Investment Management Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated August 15, 2001 consequent to which Trust Deed was executed on October 23, 2001 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was registered under the Sindh Trust Act on August 12, 2021.

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

- 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 The Fund is an open end mutual Fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to invest in listed equity securities and the Fund can also invest in cash instruments and treasury bills not exceeding 90 days in maturity. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund has been categorised as "equity scheme" by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 06, 2023 (2023: 'AM1' dated October 6, 2022) to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRS Accounting Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' and are measured at fair values.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

2.5 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

3.2.2.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.2.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at Fair Value through Other Comprehensive Income (FVOCI). The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.3 Impairment

The fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

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

3.2.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

3.2.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 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 circulation at the year end.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as at the close of the business day, plus the allowable sales load, provision of any duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

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

Units redeemed are recorded at the redemption price prevalent on the date on which the Management Company / distributors receive redemption applications during business hours on that date. The redemption price represents the NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV 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 NAV 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.

3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised on the date when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise;
- Income on government securities is recognised on a time proportionate basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend; and
- Profit on saving accounts with bank is recognised on an accrual basis.

3.10 Expenses

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

3.11 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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.

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

3.12 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.13 Distributions to unit holders

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the 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.

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

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	June 30, 2024	June 30, 2023
		— (Rupees in '000) —	
4 BALANCES WITH BANKS			
- In current accounts	4.1	11,795	27,596
- In savings accounts	4.2	307,222	276,664
		<u>319,017</u>	<u>304,260</u>

4.1 These include balances held with related party of Rs. 2.35 million (2023: Rs. 18.15 million) with MCB Bank Limited.

4.2 These carry profit at the rates ranging from 19.00% to 20.50% (2023: 12.25% to 19.50%) per annum and include Rs. 238.81 million (2023: Rs. 216.35 million) maintained with MCB Bank Limited, a related party which carries profit at the rate of 20.50% (2023: 19.50%) per annum.

	Note	June 30, 2024	June 30, 2023
		— (Rupees in '000) —	
5 INVESTMENTS			
5.1 Investments - 'at fair value through profit or loss'			
Listed equity securities	5.1.1	6,975,458	4,574,203
Market Treasury Bills*	5.1.2	-	-
		<u>6,975,458</u>	<u>4,574,203</u>

* Nil figure due to rounding off

5.1.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the investee company	Number of shares					Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	-	147,008	-	(147,008)	-	-	-	-	-	-	-
Indus Motor Company Limited	-	107,609	-	(107,609)	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	341,500	-	(341,500)	-	-	-	-	-	-	-

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

Name of the investee company	Number of shares					Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
						(Rupees in '000)			%		
AUTOMOBILE PARTS & ACCESSORIES											
Agriauto Industries Limited**	186,870	40,500	-	(72,370)	155,000	9,571	15,903	6,332	0.22	0.23	0.43
Thal Limited**	148,900	63,000	-	(211,900)	-	-	-	-	-	-	-
Atlas Battery Limited*	21,863	-	-	(21,863)	-	-	-	-	-	-	-
Gandhara Tyre and Rubber Company Limited	856,605	-	-	(856,605)	-	-	-	-	-	-	-
Panther Tyres Limited	-	878,000	-	(200,000)	678,000	25,712	25,662	(50)	0.36	0.37	0.40
						35,283	41,565	6,282	0.58	0.60	0.83
CABLE AND ELECTRICAL GOODS											
Pak Elektron Limited	1,300,000	7,675,000	-	(1,750,000)	7,225,000	184,068	178,530	(5,538)	2.47	2.56	0.84
Fast Cable Limited	-	1,920,594	-	-	1,920,594	46,952	45,915	(1,037)	0.64	0.66	0.31
						231,020	224,445	(6,575)	3.11	3.22	1.15
CEMENT											
Attock Cement Pakistan Limited	-	41,763	-	(41,763)	-	-	-	-	-	-	-
Bestway Cement Limited	-	23,500	-	(23,500)	-	-	-	-	-	-	-
Cherat Cement Company Limited	346,228	195,500	-	(541,728)	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited*	1,425,500	1,825,411	-	(3,250,911)	-	-	-	-	-	-	-
Fauji Cement Company Limited*** (see not 5.1.1.1)	38,753,160	5,496,000	-	(38,089,160)	6,160,000	82,000	141,126	59,126	1.96	2.02	1.41
Gharibwal Cement Limited	97,665	-	-	(97,665)	-	-	-	-	-	-	-
Lucky Cement Limited	455,000	795,220	-	(845,220)	405,000	281,178	367,226	86,048	5.09	5.26	0.14
Maple Leaf Cement Factory Limited	11,094,525	11,940,859	-	(16,385,384)	6,650,000	238,285	252,700	14,415	3.50	3.62	0.63
Pioneer Cement Limited	-	1,937,642	-	(437,642)	1,500,000	211,068	252,975	41,907	3.51	3.63	0.66
						812,531	1,014,027	201,496	14.05	14.54	2.84
CHEMICAL											
Archroma Pakistan Limited	82,487	100,400	-	(3,600)	179,287	86,203	62,750	(23,453)	0.87	0.90	0.52
Dynea Pakistan Limited	37,600	114,547	-	(26,000)	126,147	19,116	28,449	9,333	0.39	0.41	1.34
Nimir Resins Limited	-	67,823	-	(67,823)	-	-	-	-	-	-	-
Ilshad Chemical Limited	-	810,000	-	-	810,000	39,426	38,183	(1,243)	0.53	0.55	0.81
Lucky Core Industries Limited	-	65,000	-	(65,000)	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	-	409,999	-	-	409,999	42,590	49,602	7,012	0.69	0.71	0.37
Silara chemical industries Limited	-	100,000	-	(80,093)	19,907	4,878	6,855	1,977	0.10	0.10	0.09
						192,213	185,839	(6,374)	2.58	2.66	3.13
COMMERCIAL BANKS											
Bank Alfalah Limited**** (see not 5.1.1.1)	4,019,796	10,198,095	-	(7,835,281)	6,382,610	353,312	434,145	80,833	6.02	6.22	0.40
Bank Al Habib Limited	740,000	250,000	-	(990,000)	-	-	-	-	-	-	-
Faysal Bank Limited	-	2,758,793	-	(2,758,793)	-	-	-	-	-	-	-
Habib Bank Limited	2,020,000	6,984,613	-	(5,673,613)	3,331,000	380,638	413,144	32,506	5.73	5.92	0.23
Habib Metropolitan Bank Limited	2,775,051	5,308,899	-	(4,084,529)	3,999,421	184,654	274,640	89,986	3.81	3.94	0.38
MCB Bank Limited	-	993,338	-	(922,338)	71,000	12,969	16,118	3,149	0.22	0.23	0.01
Meezan Bank Limited	2,009,832	3,954,080	-	(4,700,853)	1,263,059	223,947	302,364	78,417	4.19	4.33	0.07
United Bank Limited*&*** (see not 5.1.1.1)	1,946,167	1,248,002	-	(2,494,169)	700,000	111,807	179,368	67,561	2.49	2.57	0.06
National bank of Pakistan	-	1,870,000	-	-	1,870,000	75,617	69,471	(6,146)	0.96	1.00	0.09
						1,342,944	1,689,250	346,306	23.41	24.22	1.24
ENGINEERING											
Aisha Steel Mills Limited	5,489,567	-	-	(5,489,567)	-	-	-	-	-	-	-
International Steels Limited*	300,000	2,565,545	-	(2,865,545)	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	1,686,109	3,943,023	-	(4,779,132)	850,000	51,072	79,050	27,978	1.10	1.13	0.25
						51,072	79,050	27,978	1.10	1.13	0.25
FERTILIZER											
Engro Fertilizer Limited	445,101	25,000	-	(470,101)	-	-	-	-	-	-	-
Engro Corporation Limited	825,918	530,000	-	(825,918)	530,000	87,358	88,097	739	1.22	1.26	0.04
Fauji Fertilizer Bin Qasim Limited	14,029,024	10,837,000	-	(20,896,024)	3,970,000	126,697	140,816	14,119	1.95	2.02	0.31
Fauji Fertilizer Company Limited	-	3,878,900	-	(1,678,900)	2,200,000	273,994	359,436	85,442	4.98	5.15	0.17
						488,049	588,349	100,300	8.15	8.43	0.57

* Those represent transactions in shares of related parties

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

*** These represent pledge securities

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

Name of the investee company	Number of shares					Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
						(Rupees in '000)			%		
FOOD AND PERSONAL CARE PRODUCTS											
Al-Tahur Limited	2,486,914	1,325,000	-	(2,511,914)	1,300,000	19,480	18,213	(1,267)	0.25	0.26	0.59
Murree Brewery Company	160,761	-	-	(160,761)	-	-	-	-	-	-	-
National Foods Limited	1,178,000	936,398	-	(1,514,398)	500,000	64,220	87,355	23,135	1.21	1.25	0.43
The Organic Meat Company Limited	380,518	2,050,000	-	(2,430,518)	-	-	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited	-	861,729	-	(861,729)	-	-	-	-	-	-	-
						83,700	105,568	21,868	1.46	1.51	1.02
GLASS & CERAMICS											
Shabbir Tiles & Ceramics Limited**	3,683,908	4,478,092	-	(412,000)	7,750,000	81,669	112,375	30,706	1.56	1.61	3.24
Tariq Glass Industries Limited	25,863	-	-	(25,863)	-	-	-	-	-	-	-
						81,669	112,375	30,706	1.56	1.61	3.24
INSURANCE											
Adamjee Life Assurance Company Limited*	101,104	-	-	(101,104)	-	-	-	-	-	-	-
IGI Holdings Limited	26,100	-	-	(26,100)	-	-	-	-	-	-	-
Adamjee Insurance Company Limited*	-	1,000,000	-	(100,000)	900,000	31,716	32,319	603	0.45	0.46	0.26
						31,716	32,319	603	0.45	0.46	0.26
LEATHER AND TANNERIES											
Bata Pakistan Limited	9,725	6,880	-	(16,605)	-	-	-	-	-	-	-
Service Industries Limited	-	4,652	-	(4,652)	-	-	-	-	-	-	-
						-	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	145,684	90,828	-	(195,312)	41,200	67,853	111,748	43,895	1.55	1.60	0.03
Oil & Gas Development Company Limited	911,665	3,589,100	-	(3,200,765)	1,300,000	164,657	175,981	11,324	2.44	2.52	0.03
Pakistan Oilfields Limited	45,000	46,000	-	(91,000)	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	2,484,208	-	(2,484,208)	-	-	-	-	-	-	-
						232,510	287,729	55,219	3.99	4.12	0.06
OIL AND GAS MARKETING COMPANIES											
Attock Petroleum Limited	-	55,000	-	(55,000)	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	1,316,623	-	-	(1,316,623)	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	5,895	23,539	-	(5,895)	23,539	3,933	3,912	(21)	0.05	0.06	0.01
Shell Pakistan Limited	-	110,000	-	(110,000)	-	-	-	-	-	-	-
						3,933	3,912	(21)	0.05	0.06	0.01
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	14,700	275,406	-	(126,216)	163,890	81,083	120,128	39,045	1.66	1.72	0.17
AGP Limited	505,718	1,561,993	-	(209,718)	1,857,993	139,145	171,623	32,478	2.38	2.46	0.66
Citi Pharma Limited	3,067,374	7,924,492	-	(6,529,033)	4,482,833	120,285	127,761	7,476	1.77	1.83	1.96
Ferrous Laboratories Limited	294,229	235,800	-	(114,400)	415,629	76,225	103,662	27,437	1.44	1.49	0.96
GlaxoSmithKline (Pakistan) Limited*	-	1,049,980	-	-	1,049,980	102,161	151,029	48,868	2.09	2.17	0.33
Haleon (Pakistan) Limited	640,938	247,907	-	(494,738)	394,107	70,685	117,196	46,511	1.62	1.68	0.34
Highnoon Laboratories Limited	243,607	126,270	-	(369,877)	-	-	-	-	-	-	-
The Searle Company Limited	30,302	-	-	(30,302)	-	-	-	-	-	-	-
						589,584	791,399	201,815	10.97	11.35	4.42
REFINERY											
Attock Refinery Limited	-	713,000	-	(566,000)	172,000	58,222	60,473	2,251	0.84	0.87	0.16
						58,222	60,473	2,251	0.84	0.87	0.16
POWER GENERATION AND DISTRIBUTION											
Hub Power Company Limited	2,150,000	856,000	-	(2,496,000)	510,000	39,074	83,171	44,097	1.15	1.19	0.04
Lalpur Power Limited**	-	400,000	-	-	400,000	10,063	10,168	105	0.14	0.15	0.11
Nishat Chumian Power Limited	-	5,873,450	-	(1,803,925)	4,069,525	107,211	121,882	14,671	1.69	1.75	1.11
						156,348	215,221	58,873	2.98	3.09	1.25
TECHNOLOGY AND COMMUNICATION											
Hum Network Limited	12,370,500	-	-	(12,370,500)	-	-	-	-	-	-	-
Systems Limited*** (see note 5.1.1.1)	306,695	786,000	-	(114,695)	978,000	405,753	409,097	3,344	5.67	5.86	0.34
						405,753	409,097	3,344	5.67	5.86	0.34

* These represent transactions in shares of related parties

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

*** These represent pledge securities

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

Name of the investee company	Number of shares					Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
<div>(Rupees in '000)</div> <div>%</div>											
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited	4,138,849	3,569,151	-	(2,467,500)	5,240,500	101,177	110,575	9,398	1.53	1.59	0.71
Interloop Limited	6,570,385	3,603,875	-	(6,474,280)	3,700,000	202,072	262,071	59,999	3.63	3.76	0.26
Kohinoor Textile Mills Limited	1,078,554	-	-	(1,078,554)	-	-	-	-	-	-	-
Nishat Chunian Limited	423,146	6,435,551	-	(1,104,718)	5,753,979	152,698	150,812	(1,886)	2.09	2.16	2.40
Nishat Mills Limited*	805,000	2,090,695	-	(851,000)	2,044,695	148,592	144,867	(3,725)	2.01	2.08	0.58
						604,539	668,325	63,786	9.26	9.58	3.95
PAPER AND BOARD											
Century Paper and Board Mills Limited	204,590	792,500	-	(847,090)	150,000	4,098	4,493	395	0.06	0.06	0.04
Cherat Packaging Limited	3	-	-	(3)	-	-	-	-	-	-	-
Packages Limited	267,016	220,331	-	(340,421)	146,926	63,954	78,667	14,713	1.09	1.13	0.16
Security Paper Limited	624,001	-	-	(624,001)	-	-	-	-	-	-	-
						68,052	83,160	15,108	1.15	1.19	0.20
MISCELLANEOUS											
Shifa International Hospitals*** (see note 5.1.1.1)	1,438,092	365,477	-	(300,525)	1,503,044	189,336	220,361	31,025	3.05	3.16	2.38
Synthetic Products Limited**	2,039,117	2,704,383	-	(583,500)	4,150,000	52,560	66,068	13,508	0.92	0.95	2.08
						241,896	286,429	44,533	3.97	4.11	4.46
TOBACCO											
Pakistan Tobacco Company Limited	48,579	57,110	-	(18,323)	87,366	57,637	96,926	39,289	1.34	1.39	0.03
						57,637	96,926	39,289	1.34	1.39	0.03
TRANSPORT											
Pakistan International Bulk Terminal Limited	-	7,061,000	-	(7,061,000)	-	-	-	-	-	-	-
						-	-	-	-	-	-
Total as at June 30, 2024						5,768,671	6,975,458	1,206,787			
Total as at June 30, 2023						4,996,862	4,574,203	(422,659)			

* These represent transactions in shares of related parties

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

*** These represent pledge securities

5.1.1.1 Investments include nil shares (2023: 1,000,000 shares) of Bank Alfalah Limited having market value of Rs. nil million as at June 30, 2024 (2023: Rs. 30.440 million), 6,160,000 shares (2023: 10,000,000 shares) of Fauji Cement Company Limited having market value of Rs. 141.126 million as at June 30, 2024 (2023: Rs. 117.600 million), 215,300 shares (2023: nil shares) of Shifa International Hospital Limited having market value of Rs. 31.565 million (2023: nil million), 500,000 shares (2023: nil shares) of United Bank Limited having market value of Rs. 128.120 million as at June 30, 2024 (2023: nil million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of security	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Number of shares) (Rupees in '000)				
Bank Alfalah Limited	-	1,000,000	-	30,440
Fauji Cement Company Limited	6,160,000	10,000,000	141,126	117,600
Shifa International Hospital Limited	215,300	-	31,565	-
Systems Limited	145,100	-	60,695	-
United Bank Limited	500,000	-	128,120	-
	7,020,400	11,000,000	361,506	148,040

5.1.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the year ended June 30, 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 in the Honourable High Court of Sindh. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018, effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued.

As at June 30, 2024, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 6.87 million (2023: Rs. 2.93 million).

5.1.2 Market Treasury Bills

Name of security (Tenor)	Issue date	Maturity date	Face value			Balances as at June 30, 2024			Market value as percentage of net assets	Market value as 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)										
%										

Market Treasury Bills

- 3 months	July 13, 2023	October 13, 2023	-	500,000	500,000	-	-	-	-	-
Total as at June 30, 2024							-	-	-	-
Total as at June 30, 2023							-	-	-	-

Note **June 30,** **June 30,**
 2024 **2023**
 —Rupees in '000—

5.2 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

Market value of investments	5.1.1	6,975,458	4,574,203
Less: Carrying value of investments	5.1.1	5,768,671	4,996,862
		<u>1,206,787</u>	<u>(422,659)</u>

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Security deposits with:

- National Clearing Company of Pakistan Limited (NCCPL)		5,216	5,216
- Central Depository Company of Pakistan Limited (CDC)		500	500
Profit receivable on savings accounts with banks		6,841	5,129
Advance tax	6.1	9,308	8,065
Other receivables		<u>4,292</u>	<u>4,513</u>
		<u>26,157</u>	<u>23,423</u>

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

- 6.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividends and profit on savings accounts with banks paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on savings accounts with banks amounts to Rs. 9.31 million (2023: Rs. 8.07 million). Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as advance tax as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC.

7	Note	June 30, 2024	June 30, 2023
PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		—Rupees in '000—	
Management remuneration payable	7.1	18,049	8,198
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,346	1,066
Allocated expenses payable	7.3	460	410
Selling and marketing expenses payable	7.4	5,233	17,551
Sales load payable		333	3
		<u>26,421</u>	<u>27,228</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable limit, the Management Company has charged its remuneration at the rates ranging from 2.00% to 3.46% per annum (2023: 2.00% per annum) of the average daily net assets of the Fund during the year. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** During the year, an amount of Rs. 20.97 million (2023: Rs. 18.15 million) was charged on account of Sales Tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%) and an amount of Rs. 19.69 million (2023: Rs. 18.98 million) has been paid to the Management Company which acts as a collecting agent.

- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the rates ranging from 0.01% to 0.1% (2023: 0.10%) per annum of the average annual net assets of the Fund.

- 7.4** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion at the rates ranging from 0.3% to 1.30% (2023: 1.29% to 1.31%) per annum, duly authorised by the Board of Directors, while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

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

8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2024	June 30, 2023
			—Rupees in '000—	
	Trustee remuneration payable	8.1	656	492
	Sindh Sales Tax payable on trustee remuneration	8.2	85	64
			<u>741</u>	<u>556</u>

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the average daily net assets of the Fund during the year. The tariff structure applicable to the Fund in respect of trustee remuneration is as follows:

Net Assets (Rs.)	Tariff per annum
Up to Rs.1,000 million	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher
Amount exceeding Rs.1,000 million	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

- 8.2 During the year, an amount of Rs. 0.867 million (2023: Rs. 1.038 million) was charged on account of Sales Tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%) and an amount of Rs. 0.84 million (2023: Rs. 1.08 million) was paid to the Trustee which acts as a collecting agent.

9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	June 30, 2024	June 30, 2023
			—Rupees in '000—	
	Fee payable	9.1	546	1,396
			<u>546</u>	<u>1,396</u>

- 9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2023: 0.02%) per annum of the daily net assets during the year.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

10	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30, 2024	June 30, 2023
			—Rupees in '000—	
	Provision for federal excise duty on:			
	- Remuneration of the Management Company	10.1	54,774	54,774
	- Sales load		3,933	3,933
	Auditors' remuneration payable		939	805
	Withholding tax payable		22,794	19
	Brokerage payable		3,567	2,051
	Dividend payable		9,726	9,722
	Other payables		76	79
			<u>95,809</u>	<u>71,383</u>

- 10.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 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.

During the year ended June 30, 2017, 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.

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

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, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 58.70 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2024 would have been higher by Re. 1.15 (2023: Re. 0.96) per unit.

11 CONTINGENCIES AND COMMITMENTS

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

12 AUDITORS' REMUNERATION

	2024	2023
	—Rupees in '000—	
Annual audit fee	625	600
Half yearly review of condensed interim financial statements	340	340
Fee for other certifications	130	154
Out of pocket expenses	110	110
	<u>1,205</u>	<u>1,204</u>
Sindh Sales Tax	96	96
	<u>1,301</u>	<u>1,300</u>

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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 EARNINGS / (LOSS) PER UNIT

Earnings / (loss) per unit (EPU) has not been disclosed in these financial statements as, in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 4.78% (2023: 4.31%) which includes 0.55% (2023: 0.35%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio is 4.50% (2023: 4.50%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Equity Scheme".

16 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

16.1 Transactions during the year:

	For the year ended	
	June 30, 2024	June 30, 2023
	Rupees in '000	
MCB Investment Management Limited - Management Company		
Remuneration of the Management Company including indirect taxes	182,261	157,766
Allocated expenses	6,016	6,981
Selling and marketing expenses	29,740	90,750
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	7,533	9,018
Central Depository Service (CDS) settlement charges	-	-
Settlement charges	935	548
Group / Associated Companies		
MCB Bank Limited		
Balances with banks	238,766	25,368
Bank charges	39	31
Purchase of 993,338 shares (2023: 136,429 shares)	164,201	16,638
Sale of 922,338 shares (2023 : 178,929 shares)	182,996	22,846
Dividend income	7,476	-
D.G. Khan Cement Company Limited		
Purchase of 1,825,411 shares (2023: 3,054,659 shares)	95,400	151,480
Sale of 3,250,911 shares (2023: 5,677,437 shares)	221,832	333,748
Dividend income	-	1,320
Purchase of: 2,405,300 (2017: 515,000) shares	334,230	334,230
Sale of: 1,782,300 (2017:515,000) shares	256,661	256,661
Dividend income	-	1,320
Lalpir Power Limited		
Purchase of 400,000 shares (2023: Nil shares)	10,063	-
Sale of Nil shares (2023: Nil shares)	-	-
Dividend income	-	-
Adamjee Life Insurance Company Limited		
Purchase of Nil shares (2023: 5,000 shares)	-	84
Sale of 101,104 shares (2023: 279,000 shares)	2,431	5,391
Dividend Income	101	-
International Steels Limited		
Purchase of 2,565,545 shares (2023: 2,082,096 shares)	121,756	100,859
Sale of 2,865,545 shares (2023: 2,110,932 shares)	188,602	98,097
Dividend Income	3,682	900

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

Atlas Battery Limited

Purchase of Nil shares (2023: 9,800 shares)	2,186	1,516
Sale of 21,863 shares (2023: 4,187 shares)	5,151	680
Dividend income	-	654

Adamjee Insurance Company Limited

Purchase of 1,000,000 shares (2023: Nil shares)	35,240	-
Sale of 100,000 shares (2023: Nil shares)	3,681	-
Dividend income	1,350	-

16.2 Balances outstanding at year end:

June 30,
2024

June 30,
2023

—Rupees in '000—

MCB Investment Management Limited - Management Company

Management remuneration payable	18,049	8,198
Sindh Sales Tax payable on remuneration of the management company	2,346	1,066
Allocated expenses payable	460	3
Sales load payable	333	410
Federal excise duty on tax payable on sales load	3,933	17,551

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	656	492
Sindh Sales Tax payable on trustee remuneration	85	64
Security deposit	500	500

Group / associated companies

MCB Bank Limited

Balances with banks	241,116	234,502
Profit on savings accounts with banks	4,320	2,830
Sales load payable	333	-
71,000 shares (2023: Nil shares)	16,118	-

D.G. Khan Cement Company Limited

Nil shares (2023: 1,425,500 shares)	-	73,128
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Adamjee Life Assurance Company Limited

Nil shares (2023: 101,104 shares)	-	1,394
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Nishat Mills Limited

2,044,695 shares (2023: 805,000 shares)	144,867	45,699
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Atlas Battery Limited

Nil shares (2023: 21,863 shares)	-	4,469
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International Steels Limited

Nil shares (2023: 300,000 shares)	-	12,159
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Lalpir Power Limited

400,000 shares (2023: Nil shares)	10,168	-
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Adamjee Insurance Company Limited

900,000 shares (2023: Nil shares)	32,319	-
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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:

	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)			
Group / associated companies								
MCB Investment Management Limited - Management Company*	-	564,426	564,426	-	-	50,000	54,109	-
Adamjee Life Assurance Company Limited - IMF *	14,524,931	797,366.00	2,649,921	12,672,376	1,223,984	118,750	371,000	1,912,820
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	199,265	-	199,265	-	16,792	-	19,185	-
Directors and Key Management Personnel	105,886	684,837	652,874	137,849	8,923	93,612	92,967	20,807
Mandate under discretionary Portfolio	953,134	2,365,359	1,869,397	1,449,096	80,319	331,549	254,298	218,733
Unit holders holding 10% or more	10,420,530	15,659,396	8,050,095	18,029,831	878,115	168,954	871,000	2,721,497

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

	June 30, 2023							
	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023
	Units				(Rupees in '000)			
Group / associated companies								
MCB Investment Management Limited - Management Company*	1,044,926	1,199,781	2,244,707	-	90,390	100,000	199,368	-
Adamjee Life Assurance Company Limited - IMF *	39,875,771	-	25,350,840	14,524,931	3,449,410	-	2,075,105	1,223,984
Adamjee Life Assurance Company Limited - DGF	19,165	-	19,165	-	1,658	-	1,507	-
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	-	199,265	17,237	-	-	16,792
Director and Key Management Personnel	120,858	599,466	614,438	105,886	10,455	50,697	52,431	8,923
Mandate under discretionary portfolio services	121	1,638,239	685,226	953,134	10	136,825	56,642	80,319
Unit holders holding 10% or more	12,564,079	-	2,143,549	10,420,530	1,086,842	-	175,000	878,115

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2024		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	319,017	-	319,017
Investments	-	6,975,458	6,975,458
Receivable against sale of investments	62,761	-	62,761
Deposits and other receivables	16,849	-	16,849
	<u>398,627</u>	<u>6,975,458</u>	<u>7,374,085</u>
Financial liabilities			
Payable to MCB Investment Management Limited - Management Company	26,421	-	26,421
Payable to Central Depository Company of Pakistan Limited - Trustee	741	-	741
Payable against purchase of investments	43,796	-	43,796
Accrued expenses and other liabilities	14,308	-	14,308
Payable against redemption of units	386	-	386
	<u>85,652</u>	<u>-</u>	<u>85,652</u>

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

	June 30, 2023		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Balances with banks	304,260	-	304,260
Investments	-	4,574,203	4,574,203
Receivable against sale of investments	90,141	-	90,141
Deposits and other receivables	15,358	-	15,358
	<u>409,759</u>	<u>4,574,203</u>	<u>4,983,962</u>
Financial liabilities			
Payable to MCB Investment Management Limited - Management Company	27,228	-	27,228
Payable to Central Depository Company of Pakistan Limited - Trustee	556	-	556
Payable against purchase of investments	70,351	-	70,351
Accrued expenses and other liabilities	12,657	-	12,657
Payable against redemption of units	386	-	386
	<u>111,178</u>	<u>-</u>	<u>111,178</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

18.1 Market risk

Market 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.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / interest rate risk, currency risk, and price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(ii) 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 its balances held with banks. 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.

a) Sensitivity analysis of variable rate instruments

As at June 30, 2024, the Fund is exposed to cash flow yield / interest rate risk on its balances with banks. In case of 100 basis points increase / decrease as on June 30, 2024, with all other variables held constant, the net assets value of the Fund and the net income for the year would have been lower / higher by Rs. 3.07 million (2023: Rs. 2.77 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in yield / interest rate.

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 and for off-balance sheet instruments is based on the settlement date.

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

June 30, 2024						
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and upto one year	More than one year			
(Rupees in '000)						
On-balance sheet financial instruments						
Financial assets						
Balances with banks	19.00 % - 20.50%	307,222	-	-	11,795	319,017
Investments		-	-	-	6,975,458	6,975,458
Receivable against sale of investments		-	-	-	62,761	62,761
Deposits and other receivables		-	-	-	16,849	16,849
		307,222	-	-	7,066,863	7,374,085
Financial liabilities						
Payable to MCB Investment Management Limited - Management Company		-	-	-	26,421	26,421
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	741	741
Payable against purchase of investments		-	-	-	43,796	43,796
Accrued expenses and other liabilities		-	-	-	14,308	14,308
Payable against redemption of units		-	-	-	386	386
		-	-	-	85,652	85,652
On-balance sheet gap (a)		307,222	-	-	6,981,211	7,288,433
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		307,222	-	-		
Cumulative interest rate sensitivity gap		307,222	307,222	307,222		

June 30, 2023					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and upto one year	More than one year		
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Balances with banks	12.25% - 19.50%	276,664	-	27,596	304,260
Investments		-	-	4,574,203	4,574,203
Receivable against sale of investments		-	-	90,141	90,141
Deposits and other receivables		-	-	15,358	15,358
		276,664	-	4,707,298	4,983,962
Financial liabilities					
Payable to MCB Investment Management Limited - Management Company		-	-	27,228	27,228
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	556	556
Payable against purchase of investments		-	-	70,351	70,351
Accrued expenses and other liabilities		-	-	12,657	12,657
Payable against redemption of units		-	-	386	386
		-	-	111,178	111,178
On-balance sheet gap (a)		315,158	-	4,596,120	4,872,784
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		315,158	-	-	-
Cumulative interest rate sensitivity gap		315,158	315,158	315,158	-

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

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from yield / interest 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.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks.

In case of 1% increase / decrease in KSE-100 index on June 30, 2024, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 0.069 million (2023: Rs. 0.045 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE-100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE-100 Index.

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2024		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				
Balances with banks	319,017	319,017	304,260	304,260
Investments	6,975,458	-	4,574,203	-
Receivable against sale of investments	62,761	62,761	90,141	90,141
Deposits and other receivables	16,849	16,849	15,358	15,358
	<u>7,374,085</u>	<u>398,627</u>	<u>4,983,962</u>	<u>409,759</u>

Difference in the balance as per statement of asset and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs. 6,975.46 million (2023: Rs. 4,574.20 million) is not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

18.2.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2024	2023
AAA	97.65	93.27
AA+	2.35	6.70
AA-	-	0.01
A-	-	0.01
A+	-	0.01
	<u>100.00</u>	<u>100.00</u>

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 may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement, the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

June 30, 2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial assets						
Balances with banks	319,017	-	-	-	-	319,017
Investments	-	-	-	-	6,975,458	6,975,458
Receivable against sale of investments	62,761	-	-	-	-	62,761
Deposits and other receivables	6,841	-	-	-	10,008	16,849
	388,619	-	-	-	6,985,466	7,374,085
Financial liabilities						
Payable to MCB Investment Management Limited - Management Company	26,421	-	-	-	-	26,421
Payable to Central Depository Company of Pakistan Limited - Trustee	741	-	-	-	-	741
Payable against purchase of investments	43,796	-	-	-	-	43,796
Accrued expenses and other liabilities	13,369	939	-	-	-	14,308
Payable against redemption of units	386	-	-	-	-	386
	84,713	939	-	-	-	85,652
Net financial assets	303,906	(939)	-	-	6,985,466	7,288,433

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

June 30, 2023						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial assets						
Balances with banks	304,260	-	-	-	-	304,260
Investments	-	-	-	-	4,574,203	4,574,203
Receivable against sale of investments	90,141	-	-	-	-	90,141
Deposits and other receivables	5,129	-	-	-	10,229	15,358
	399,530	-	-	-	4,584,432	4,983,962
Financial liabilities						
Payable to MCB Investment Management Limited - Management Company	27,228	-	-	-	-	27,228
Payable to Central Depository Company of Pakistan Limited - Trustee	556	-	-	-	-	556
Payable against purchase of investments	70,351	-	-	-	-	70,351
Accrued expenses and other liabilities	11,852	805	-	-	-	12,657
Payable against redemption of units	386	-	-	-	-	386
	110,373	805	-	-	-	111,178
Net financial assets	289,157	(805)	-	-	4,584,432	4,872,784

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

19.1 Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair values:

June 30, 2024			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	6,975,458	-	6,975,458
	6,975,458	-	6,975,458
June 30, 2024			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Financial assets 'at fair value through profit or loss'			
Listed equity securities	4,574,203	-	4,574,203
	4,574,203	-	4,574,203

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

20 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of their proportionate share of the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirements of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 UNIT HOLDING PATTERN OF THE FUND

Details of pattern of unitholding

June 30, 2024				
	Number of unit holders	Number of units held	Investment amount (Rupees in '000)	Percentage investment %
Individuals	6,973	19,730,734	2,978,237	41.27%
Insurance companies	8	4,372,345	659,979	9.15%
Banks / DFIs	3	41,902	6,325	0.09%
Non-Banking Finance Companies(NBFC)	7	35,146	5,305	0.07%
Retirement Funds	29	8,795,392	1,327,612	18.40%
Public Limited Company	8	31,299	4,724	0.07%
Associated Companies / Directors	2	12,775,401	1,928,371	26.72%
Others	72	2,021,547	305,141	4.23%
	7,102	47,803,766	7,215,694	100.00%

June 30, 2023				
	Number of unit holders	Number of units held	Investment amount (Rupees in '000)	Percentage investment %
Individuals	6,263	18,785,824	1,583,040	32.84%
Insurance companies	9	1,521,215	128,189	2.66%
Banks / DFIs	3	39,267	3,309	0.07%
Non-Banking Finance Companies(NBFC)	7	33,568	2,829	0.06%
Retirement Funds	39	16,742,489	1,410,853	29.27%
Other Companies	60	3,409,974	287,351	5.96%
Associated Companies / Directors	3	14,724,205	1,240,776	25.74%
Others	768	1,950,680	164,380	3.41%
	7,152	57,207,222	4,820,727	100.00%

22 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Details of commission paid by the Fund to top ten brokers by percentage during the year are as follows:

	2024 (Percentage)
1 Foundation Securities Limited	8.00%
2 Khadim Ali Shah Bukhari Securities (Private) Limited	7.45%
3 Ismail Iqbal Securities (Private) Limited	7.23%
4 Alfalah CLSA Securities (Private) Limited	6.05%
5 Top Line Securities (Private) Limited	5.54%
6 Optimas Capital Management Limited	5.51%
7 Al Habib Capital Markets (Private) Limited	5.23%
8 Habib Metro Financial Services Limited	5.18%
9 BMA Capital Management Limited	4.98%
10 AKIK Capital (Private) Limited	4.77%

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

	2023 (Percentage)
1 JS Global Capital Limited	7.89%
2 Alfalah CLSA Securities (Private) Limited	6.95%
3 ISIQ Securities Limited	6.94%
4 Top Line Securities (Private) Limited	6.09%
5 AKIK Capital (Private) Limited	5.89%
6 KTrade Securities Limited	5.88%
7 Intermarket Securities Limited	5.83%
8 DJM Securities Limited	5.68%
9 AKD Securities Limited	3.97%
10 Arif Habib Limited	3.93%

23 ATTENDANCE AT MEETINGS OF THE 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 directors	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 ¹	Ex-Chief Executive Officer	8	5	5	-	-
Mr. Fahd Kamal Chinoy	Director	8	8	5	3	190th, 192nd, 195th
Mr. Manzar Mushtaq	Director	8	8	8	-	-
Mr. Shoaib Mumtaz	Director	8	8	5	3	192nd, 193th, 195th
Mr. Khawaja Khalil Shah ²	Chief Executive Officer	8	3	3	-	-

¹ Mr. Muhammad Saqib Saleem resigned from the Board with effect from October 21, 2023.

² Mr. Khawaja Khalil Shah has been appointed on the Board with effect from November 01, 2023.

24 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

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

*Mr. Khawaja Khalil Shah was appointed as the Chief Executive Officer with effect from November 01, 2023.

Mr. Awais Abdul Sattar is the Manager of the Fund as at year end. No other Fund is being managed by the Fund Manager.

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.

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

26 GENERAL

26.1 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.

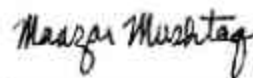
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

No. of Unit Holders	Unit holdings	Total units held
2,994	A. 001-10,000	53,877
2,197	B. 10,001 – 100,000	574,653
1,413	C. 100,001 – 1000,000	3,170,253
498	D. 1000,001 & Above	44,004,985
<u>7,102</u>		<u>47,803,766</u>

PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2024

Performance Information	2024	2023	2022	2021	2020
Total Net Assets Value – Rs. in million	7,215.6944	4,820.7279	8,875.3320	12,397.1820	8,803.8971
Net Assets value per unit – Rupees	150.9441	84.2678	86.5039	103.6294	77.4230
Closing Offer Price	156.0611	87.1245	89.4364	107.1424	80.0476
Closing Repurchase Price	145.8271	81.4111	83.5714	100.1164	74.7984
Highest offer price per unit	167.9067	95.3885	110.6947	111.0017	84.1621
Lowest offer price per unit	87.1116	75.4434	57.6102	81.0590	81.5497
Highest Redemption price per unit	162.4013	92.2609	107.0652	107.3621	81.4026
Lowest Redemption price per unit	84.2553	72.9697	56.6500	78.4012	78.8758
Distribution per unit – Rs. *	10	-	-	-	-
Average Annual Return - %					
One year	91.15	-2.58	-16.53	33.85	-2.37
Two year	44.29	-9.56	8.66	15.74	-9.36
Three year	24.01	4.91	4.98	5.04	-8.74
Net Income for the year – Rs. in million	3,548.6330	(298.2352)	(1,816.9225)	3,073.7630	(164.2317)
Distribution made during the year – Rs. in million	1,241.013	-	-	-	-
Accumulated Capital Growth – Rs. in million	2,307.6200	(298.2352)	(1,816.9225)	3,073.7630	(164.2317)

* Date of Distribution

2024	
Date	Rate
25-Jun-24	10

2023	
Date	Rate
Nil	

2022	
Date	Rate
Nil	

2021	
Date	Rate
Nil	

2020	
Date	Rate
Nil	

Disclaimer

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

**PROXY ISSUED BY FUND
FOR THE YEAR ENDED JUNE 30, 2024**

The Board of Directors of MCB Investment Management Limited (the Management Company of MCB Pakistan Stock Market Fund – MCB-PSM) has an overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on the Management Company's website (www.mcbfunds.com).

During the financial year ended June 30, 2024, the Management Company on behalf of MCB-PSM participated in thirteen (13) shareholders' meetings. The Management Company did not participate in shareholders' meetings in the cases which did not meet the criteria reported in Paragraph No. 8 and 9 of the Proxy Voting Policy and Procedures. Summary of actual proxies voted during the financial year are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	103	91	12	0	-
(%ages)	100	88	12	0	-

Detailed information regarding actual proxies voted by the Management Company in respect of MCB-PSM is available without any charges, upon request, to all Unit Holders.

MCB INVESTMENT MANAGEMENT LIMITED

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