



MCB FUNDS  
Investments for Life

# ANNUAL REPORT 2024

Funds Under Management of  
MCB Investment Management Limited



# **MCB PAKISTAN OPPORTUNITY FUND DIVIDEND YIELD PLAN**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Shoaib Mumtaz</b> <b>Mr. Khawaja Khalil Shah</b> Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman <b>Director</b> Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir <b>Mr. Shoaib Mumtaz</b> Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain <b>Mr. Khawaja Khalil Shah</b>	Member <b>Member</b> <b>Member</b> <b>Member</b>
<b>Chief Executive Officer</b>	<b>Mr. Khawaja Khalil Shah</b>	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdc-pakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited Allied Bank Limited	
<b>Auditors</b>	<b>BDO Ebrahim &amp; Co.</b> Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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Dear Investor,

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

### **Economy Review**

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

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

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

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

The country's GDP grew by 2.4% in the financial year 2023-24 as compared to -0.2% last year. Agriculture grew by 6.3%, Services and industrial sector witnessed a paltry increase of 1.2% each. Historic high interest rates coupled with political uncertainty were the major culprits behind the subdued industrial and services output. On the fiscal side, FBR tax collection increased by 29.6% in FY24 to PKR 9,285 billion, missing the target by a modest PKR 130 billion.

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

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### 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 under review, the fund posted a return of 94.75% against 86.26% for the benchmark. The fund was 81.6% invested in Equities and 15.5% in Cash as at June 30, 2024. The Net Assets of the Fund as at June 30, 2024 stood at Rs. 287 million. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 173.1845.

### 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

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

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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 1HFY25. 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%.

### **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.

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

### 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:

- 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

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

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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 & 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;

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

- 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

### 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. No 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.

### EXTERNAL AUDITORS

The Fund's external auditor's **M/s. BDO 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. BDO 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. BDO 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**

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**ACKNOWLEDGMENT**

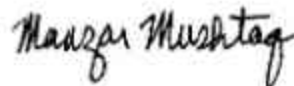
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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



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**Manzar Mushtaq**  
Director  
September 25, 2024

## ڈائریکٹرز رپورٹ

2025 کو ختم ہونے والے مالی سال کے لیے فنڈ کے بیرونی آڈیٹرز کے طور پر دوبارہ انتخاب کیا جائے اور بورڈ نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔ ایم ایس بی ڈی او چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے بیرونی آڈیٹرز کے طور پر کام کرنے پر آمادگی ظاہر کی ہے۔

اعتراف

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

ڈائریکٹرز کی جانب سے،

*Mansur Mushtaq*

منظر مشتاق

ڈائریکٹر

25 ستمبر 2024

*خواجہ خلیل شاہ*

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

25 ستمبر 2024

## ڈائریکٹرز رپورٹ

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

### 2۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا اجلاس۔

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

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

n. 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 ذریعہ سال کے دوران فنڈ کے پونٹس میں کوئی تجارت نہیں کی گئی۔

### بیرونی آڈیٹرز

فنڈ کے بیرونی آڈیٹر ایم ایس بی ڈی او چارٹرڈ اکاؤنٹنٹس 30 جون 2024 کو ختم ہونے والے مالی سال کے آڈٹ کی تکمیل کے بعد اپنا کام مکمل کر چکے ہیں۔ آڈٹ کمیٹی نے سفارش کی ہے کہ ایم ایس بی ڈی او چارٹرڈ اکاؤنٹنٹس کا 30 جون

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

g. لسٹنگ ریکولیشن 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 ریکولیشن نمبر 20 میں موجود ہے۔

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

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

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

1. آڈٹ کمیٹی کا اجلاس۔

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

## ڈائریکٹرز رپورٹ

5	سید ساول میکل حسین	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
6	جناب فہد کمال چنائے	خود مختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
7	محترمہ ماورا عادل خان	خود مختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8	جناب 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 ڈرسٹ بکس آف اکاؤنٹس تیار کی گئی ہیں۔

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

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

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

## ڈائریکٹرز رپورٹ

انویسٹمنٹس لمیٹڈ کے 21,664,167 (30.09 فیصد) حصص حاصل کر لیے ہیں۔ اس پیش رفت کے بعد MCB کی MCB-AH میں حصص یا فٹنگی 36,956,935 (81.42 فیصد) ہو گئی ہے اور AHCL اب MCB-AH میں حصص کا حامل نہیں ہے۔

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

### کارپوریٹ گورننس

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

40۔ نان - ایگزیکٹو ڈائریکٹرز؛

30۔ خود مختار ڈائریکٹرز؛ اور

10۔ ایگزیکٹو ڈائریکٹر (CEO)۔

مندرجہ بالا تفصیلات درج ذیل ہیں:

سیریل نمبر	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
1	ہارون رشید صاحب	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2	جناب شعیب ممتاز	نان ایگزیکٹو ڈائریکٹر	* ایچ آر اینڈ آر کمیٹی
3	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی آڈٹ کمیٹی
4	جناب منظر مشتاق	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی

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 ٹخلی 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 ایکزیکیوٹو 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 کرٹ 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 کرٹ 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 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 ٹوجی 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، ارتنگ 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

## ڈائریکٹرز رپورٹ

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 اہمات 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 کارپوریٹس 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 سیکنڈ انڈیکس کے اضافے میں بالترتیب 13,262 / 5,074 / 4,300 پوائنٹس کا اضافہ کرنے والے اہم شرائط دار تھے۔ بینکنگ سیکٹر میں وسیع البیاد 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

نرم جانزہ مدت کے دوران، فنڈ نے 86.26 فیصد کے ہینچ مارک ریٹرن کے مقابلے میں 94.75 فیصد کا ریٹرن دیا۔ 30 جون 2024 تک فنڈ کی سرمایہ کاری 81.6 فیصد ایکویٹیز میں اور 15.5 فیصد کیش میں کی گئی۔

30 جون 2024 تک فنڈ کے خالص اثاثے 287 ملین روپے تھے۔ 30 جون 2024 تک میٹ اہامش (NAV) کی قیمت فی یونٹ 173.1845 روپے تھی۔

### 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

مقابلے میں ملک کی بیرونی صورتحال میں بہتری آئی۔ 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 ٹیرف اور گیس کی قیمتوں میں بھی اضافہ کیا، جس سے مہنگائی کا دباؤ مزید بڑھ گیا۔ اسٹیٹ بینک نے 10 جون 2024 کو منعقدہ سال کی آخری مانیٹری پالیسی میں پالیسی ریٹ کو 150bps سے کم کر کے 20.5 فیصد کر دیا۔ مانیٹری پالیسی نے افراط زر میں نمایاں کمی کو نوٹ کیا، جس کے نتیجے میں کافی حد تک مثبت حقیقی سود کی شرح ہوئی، جو مانیٹری سائیکل شروع کرنے کا جواز فراہم کرتی ہے۔

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

#### 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 ڈیویڈنڈ ییلڈ پلان 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 آرٹیمینٹ (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 وہیں در تریبک ریٹ میں سپر یڈ کو کم کیا گیا۔ حکام نے مجموعی بیرونی توازن کو منظم کرنے کے لیے شرح مبادلہ کی دیکگیوں کی سختی سے نگرانی کرنے کے لیے میکانزم بھی بنائے۔ نظامیہ کے قدمات در بیرونی در مالی کھاتوں کے نظم و ضبط کے قدمات دونوں کے مترج 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 ختام ہو۔

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

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

### Fund Type and Category

MCB Pakistan Dividend Yield Plan is an Asset Allocation Plan.

### Fund Benchmark

90% KSE 30 Index (Total Return) plus 10% of three (3) months average deposit rates of three (3) "AA" rated scheduled banks as selected by MUFAP.

### Investment Objective

The Objective of MCB Pakistan Dividend Yield Plan (MCB-PDYP) is to provide actively managed exposure to dividend paying listed equities and aims to generate higher dividend income over the medium to long term.

### Manager's Review

The fund posted a return of 94.75% during the period under review against the benchmark return of 86.26%. Cash exposure was 15.5% and Equities exposure was 81.6%.

The Net Assets of the Fund as at June 30, 2024 stood at Rs. 287 million as compared to Rs. 209 million as at June 30, 2023 registering an increase of 37.32%. The Net Asset Value (NAV) per unit as at June 30, 2024 was Rs. 173.1845 as compared to opening NAV of Rs. 111.0314 per unit as at June 30, 2023 registering an increase of 62.1531 per unit.

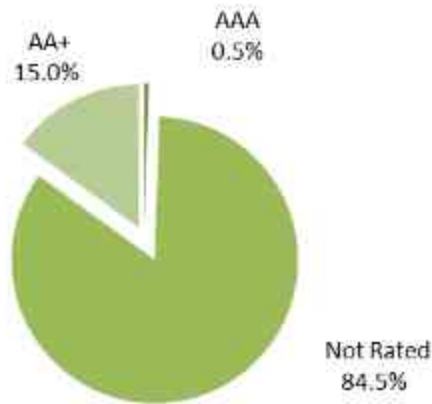
### Asset Allocation as on June 30, 2024 (% of total assets)

Asset Allocation (%age of Total Assets)	Jun-24
Cash	15.5%
Stock / Equities	81.6%
Others including receivables	2.9%

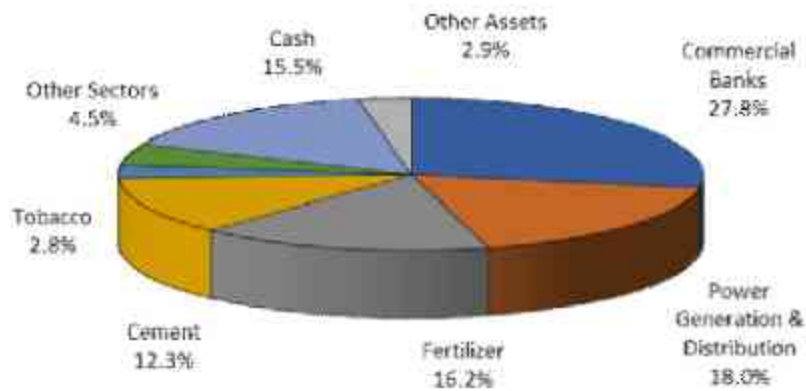
## REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2024

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



Sector Allocation (%age of Total Assets)



Syed Abid Ali  
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.cdc-pakistan.com](http://www.cdc-pakistan.com)  
Email: [info@cdc-pak.com](mailto:info@cdc-pak.com)



## TRUSTEE REPORT TO THE UNIT HOLDERS

### MCB PAKISTAN OPPORTUNITY 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 Opportunity Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

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

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, September 5, 2024



# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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Sarwar Shafiq Road  
Karachi-74200  
Pakistan

## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF MCB PAKISTAN OPPORTUNITY FUND

### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund 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 year. 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 are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	<p><b>Existence and valuation of Investments</b></p> <p>As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2024, the investments held by the Fund comprised of equity instruments amounting to Rs. 236.226 million which represent 82% of the Net asset value (NAV) of the Fund.</p> <p>As these investments represents a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>We evaluated the design and implementation of key controls over investment, and tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li><li>We performed substantive audit procedures on year-end balance of equity instruments including review of custodian's statement, related reconciliations and re-performance of valuation based on share prices from the Pakistan Stock Exchange (PSX).</li><li>We assessed the Fund's compliance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the investment concentration and exposure limits.</li></ul>

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



S.NO	Key audit matter(s)	How the matter was addressed in our audit
	In view of the significance of above-mentioned balance in relation to the Fund's total assets and NAV, we considered the existence and valuation of such investments as a key audit matter.	<ul style="list-style-type: none"><li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment, ensuring compliance with the NBFC Regulations and the relevant accounting requirements.</li></ul>

## Information other than the financial statements and auditor's report thereon

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 the Management Company and its Board of Directors

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as management determines 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.

The 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:

## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 the 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 the 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 NBFC rules, the NBFC Regulations and the Trust Deed.

## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



### Other Matter

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

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 03 OCT 2024

UDIN: AR202310166rNqZYDcJk

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

		2024	2023
	Note	—————(Rupees in '000)—————	
<b>ASSETS</b>			
Bank balances	5	44,810	12,899
Investments	6	236,226	195,443
Receivable against sale of investments		6,594	11,912
Mark-up receivable	7	714	445
Advances, deposits and other receivables	8	1,117	1,117
<b>Total assets</b>		289,461	221,816
<b>LIABILITIES</b>			
Payable to MCB Investments Management Limited Management Company	9	1,385	185
Payable to the Central Depository Company- Trustee	10	61	37
Payable to the Securities and Exchange Commission of Pakistan	11	26	30
Payable against purchase of investments		-	12,081
Accrued expenses and other liabilities	12	998	544
<b>Total liabilities</b>		2,470	12,877
<b>NET ASSETS</b>		286,991	208,939
<b>Unit holders' fund (as per statement attached)</b>		286,991	208,939
<b>Contingencies and Commitments</b>	13		
<b>(Number of units)</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		1,657,136	1,881,789
<b>————— (Rupees) —————</b>			
<b>NET ASSET VALUE PER UNIT</b>		173.1845	111.0314

The annexed notes 1 to 25 form an integral part of these financial statements.

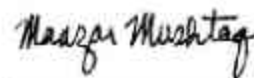
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees in '000)	2023 (Rupees in '000)
<b>INCOME</b>			
Financial income on:			
- Government securities		447	174
- Bank balances		8,511	4,388
Dividend income		39,229	21,658
Gain on sale of investments - net		97,944	(1,985)
Unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.1	53,771	(2,069)
<b>Total Income</b>		199,902	22,166
<b>EXPENSES</b>			
Remuneration of the Management Company	9.1	7,527	1,505
Sindh Sales Tax on remuneration of the Management Company	9.2	978	196
Allocated Expense	9.3	211	-
Marketing and Selling expense	9.4	940	-
Remuneration of the Trustee	10.1	596	301
Sindh Sales Tax on remuneration of the Trustee	10.2	78	39
Securities and Exchange Commission of Pakistan - Annual fee	11	283	30
Auditors' remuneration	14	515	500
Securities transaction cost		1,738	617
Settlement and bank charges		496	338
Legal and professional charges		185	199
Printing charges		34	40
Fees and subscription		-	141
<b>Total expenses</b>		13,581	3,906
<b>Net income for the year before taxation</b>		186,321	18,260
Taxation	15	-	-
<b>Net income for the year</b>		186,321	18,260
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		186,321	18,260
Income already paid on units redeemed		(111,783)	(37)
		74,538	18,223
<b>Accounting income available for distribution</b>			
- relating to capital gains		61,871	-
- excluding capital gains		12,667	18,223
		74,538	18,223

The annexed notes 1 to 25 form an integral part of these financial statements.

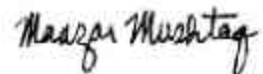
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	2024 —————(Rupees in '000)—————	2023 —————
Net income for the year	186,321	18,260
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the year</b>	<b>186,321</b>	<b>18,260</b>

The annexed notes 1 to 25 form an integral part of these financial statements.

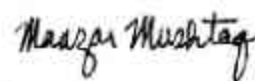
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	2024			2023		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	(Accumulated loss) / undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the year</b>	191,060	17,879	208,939	110,000	(344)	109,656
<b>Issuance of 5,573,175 (2023: 914,151) units:</b>						
Capital value	565,016	-	565,016	91,131	-	91,131
Element of income	283,992	-	283,992	3,237	-	3,237
Amount received on issuance of units	849,008	-	849,008	94,368	-	94,368
<b>Redemption of 5,797,828 (2023: 132,361) units:</b>						
Capital value	(587,792)	-	(587,792)	(13,195)	-	(13,195)
Element of loss	(203,901)	(111,783)	(315,684)	(113)	(37)	(150)
Amount paid/payable on redemption of units	(791,693)	(111,783)	(903,476)	(13,308)	(37)	(13,345)
Total comprehensive income for the year	-	186,321	186,321	-	18,260	18,260
Distribution during the year	(17,298)	(36,503)	(53,801)	-	-	-
Net income for the year less distribution	(17,298)	149,818	132,520	-	18,260	18,260
<b>Net assets at the end of the year</b>	<u>231,077</u>	<u>55,914</u>	<u>286,991</u>	<u>191,060</u>	<u>17,879</u>	<u>208,939</u>
<b>Undistributed income brought forward</b>						
- Realized income at the beginning of the year		19,948			(344)	
- Unrealized income at the beginning of the year		(2,069)			-	
		<u>17,879</u>			<u>(344)</u>	
Accounting income available for distribution:						
- Relating to capital gains		61,871			-	
- Excluding capital gains		12,667			18,223	
		<u>74,538</u>			<u>18,223</u>	
Distribution during the period		(36,503)			-	
<b>Undistributed income carried forward</b>		<u>55,914</u>			<u>17,879</u>	
<b>Undistributed income carried forward</b>						
- Realised		2,143			19,948	
- Unrealised		53,771			(2,069)	
		<u>55,914</u>			<u>17,879</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at beginning of the period		<u>111.0314</u>			<u>99.6871</u>	
Net assets value per unit at end of the period		<u>173.1845</u>			<u>111.0314</u>	

The annexed notes 1 to 25 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	2024 —(Rupees in '000)—	2023 —
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		186,321	18,260
<b>Adjustments for non cash and other items:</b>			
Mark-up on balances with banks		(8,511)	(4,388)
Dividend income		(39,229)	(21,658)
(Gain)/Loss on sale of investments - net		(97,944)	1,985
Unrealised loss on re-measurement of investments classified as at fair value through profit or loss - net	6.1	(53,771)	2,069
		(13,134)	(3,732)
<b>Decrease/ (Increase) in asset</b>			
Investments		92,698	(181,263)
Receivable against sale of investments		5,318	(11,912)
Advances, deposits and other receivables		-	(1,107)
		98,016	(194,282)
<b>(Decrease) / increase in liabilities</b>			
Payable to the Management Company		1,200	152
Payable to the Trustee		24	36
Payable to the Securities and Exchange Commission of Pakistan		(4)	30
Payable against purchase of investments		(12,081)	12,081
Accrued expenses and other liabilities		454	131
		(10,407)	12,430
Dividend received		39,229	21,658
Markup received on balances with banks		8,242	4,017
<b>Net cash generated / (used in) from operating activities</b>		<b>121,946</b>	<b>(159,909)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received on issuance of units		849,008	94,368
Amount paid on redemption of units		(903,476)	(13,345)
Final dividend paid during the period		(53,801)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(108,269)</b>	<b>81,023</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		<b>13,677</b>	<b>(78,886)</b>
Cash and cash equivalents at the beginning of the period		31,133	110,019
<b>Cash and cash equivalents at the end of the period</b>	16	<b>44,810</b>	<b>31,133</b>

The annexed notes 1 to 25 form an integral part of these financial statements.

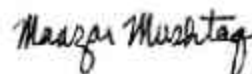
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB Pakistan Opportunity Fund (the Fund) has been established through the Trust Deed (the Deed) dated March 10, 2022 under the Sindh Trust Act, 2020 entered into and between MCB Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee) and is authorised under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). The Securities and Exchange Commission of Pakistan (SECP) has authorised the offer of Units of MCB Pakistan Opportunity Fund and has registered the fund as a notified entity under the Regulations vide letter No SCD/AMCW/MPOF/344/2022 dated May 19, 2022. The SECP approved the Offering Document under the Regulations vide its Letter No. SCD/AMCW/MPOF/378/2022 dated June 16, 2022.

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 located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB Arif Habib Savings and Investments Limited to MCB Investment Management Limited. Thereafter, the Management Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective.

1.3 The duration of the Fund is perpetual. The Fund is an open-end collective investment scheme categorised as a "Asset Allocation Scheme". The Management Company launched its first plan under MCB Pakistan Opportunity Fund on June 29, 2022 i.e. IPO date of the Plan (MCB Pakistan Dividend Yield plan).

1.4 The objective of Fund is to provide investors with long term capital growth from an actively managed portfolio of listed equities belonging to equity securities.

1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned management quality rating of 'AM1' dated October 06, 2023 to the Management Company.

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

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- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

### **2.2 Basis of measurement**

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

### **2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees (Rs.), which is the Fund's functional and presentation currency.

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

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### 2.4 Significant Accounting Estimates and Judgements

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are 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 areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

#### **Classification and valuation of investments**

For details please refer notes 4.2.1.1 and 18 to these financial statements.

#### **Impairment of investment**

For details please refer notes 4.2.1.2 to these financial statements.

#### **Provision for taxation**

For details please refer notes 4.4 and 15 to these financial statements.

#### **Other assets**

Judgement is involved in assessing the reliability of other assets balances.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years.

### 2.5 Financial assets

#### **IFRS 9 Financial Instruments**

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and loans and receivables) by the following classifications of Financial Assets:

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

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- 1) Debt instruments at amortised cost.
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition.
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition.
- 4) Financial assets at Fair Value through Profit or Loss.

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and

b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Fund's business model was made as at the date of initial application i.e. July 01, 2018. Accordingly, comparative figures for the year ended June 30, 2018 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the above assessment, the management has concluded that all the investments in debt securities will be classified as Fair Value Through Other Comprehensive Income based on the business model of the Fund.

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, accordingly, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. Bank balances and concluded that impact is not material to the financial statements.

### **3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**

#### **3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations did not have significant impact on the financial statements other than certain additional disclosures.

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

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 1, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

### **3.2 New accounting standards, amendments and interpretations that are not yet effective**

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

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

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

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

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### **4 MATERIAL ACCOUNTING POLICY INFORMATION**

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

#### **4.1 Cash and cash equivalents**

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

#### **4.2 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **4.2.1 Financial assets**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **4.2.1.1 Classification and measurement of financial assets**

###### **4.2.1.1.1 Debt instruments**

A debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

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

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In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Business model assessment**

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### **Assessments whether contractual cash flows are solely payments of principal and interest**

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

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

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The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

### **Initial Measurement**

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

#### **4.2.1.1.2 Equity instruments**

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

An equity instrument held for trading purposes is classified as measured at FVTPL.

#### **4.2.1.2 Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

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

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The Fund's financial assets include mainly investment, advances and deposits, dividend and mark-up receivable and bank balances.

### **4.2.1.3 Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

### **4.2.1.4 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.

### **4.2.1.5 Financial liabilities**

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

### **4.2.1.6 Offsetting of financial assets and 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.

## **4.3 Derivatives**

Derivative instruments are initially recognized at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognized in the income statement.

## **4.4 Provisions**

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

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

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### **4.5 Taxation**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed to the unit holders.

The Fund is also exempt from the Provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders.

### **4.6 Proposed distributions**

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are not recognized before the reporting date.

### **4.7 Issuance and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if

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

### **4.8 Element of income**

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

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

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### **4.9 Net assets value per unit**

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

### **4.10 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates, term deposit receipts and government securities is recognized on an accrual basis using the effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognized on an accrual basis using the effective yield method.

### **4.11 Expenses**

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

### **4.12 Earnings / (loss) per unit**

Earnings / (loss) per unit is calculated by dividing the net profit / loss of 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.

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

**4.13 Transactions with related parties / connected persons**

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

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

		2024	2023
	Note	———— (Rupees in '000) ————	
<b>5</b>	<b>BALANCES WITH BANKS</b>		
	In Saving Accounts	44,810	12,899
5.1	These carry mark-up at the rates ranging from 19.0% to 20.50% per annum (2023: 12.25% to 19.50% per annum).		
5.2	These include balances held with related parties of Rs. 1.396 million (2023: Rs. 1.326 million) with MCB Bank Limited.		
<b>6</b>	<b>INVESTMENTS</b>		
<b>6.1</b>	<b>Investments at fair value through profit or loss</b>		
	Listed equity securities	236,226	177,209
	Government securities	-	18,234
		236,226	195,443

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

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

Name of the Investee company	No. of shares				Balance as at June 30, 2024				Market value as a % of net assets of the Fund	
	Symbol	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying Value	Market value as at June 30, 2024	Unrealised gain / (loss)	Fund	
									Investee company	Market value as a % of net assets of the Fund
(Rupees in '000)										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
<b>Automobile parts and accessories</b>										
Atlas Battery Limited	ATBA	10,000	500	10,500	-	-	-	-	0.00%	0.00%
<b>Automobile Assembler</b>										
Indus Motor Company Limited	INDU	-	13,750	13,750	-	-	-	-	0.00%	0.00%
<b>Cement</b>										
Bestway Cement Limited	BWCL	77,100	80,200	65,569	91,731	15,867	20,573	4,706	7.17%	2.00%
Pioneer Cement Limited	PIOC	-	119,000	30,000	89,000	12,468	15,010	2,542	5.23%	4.00%
<b>Chemicals</b>										
Archroma Pakistan Limited	ARPL	13,700	15,500	8,917	20,283	9,231	7,099	(2,132)	2.47%	6.00%
<b>Commercial banks</b>										
Bank Alfalah Limited	BAFL	176,000	657,000	586,000	247,000	13,629	16,801	3,172	5.85%	1.00%
Habib Metropolitan Bank Limited	HMB	48,000	739,000	362,000	425,000	20,389	29,185	8,796	10.17%	4.00%
MCB Bank Limited	MCB	85,000	113,100	198,100	-	-	-	-	0.00%	0.00%
United Bank Limited	UBL	47,000	182,434	195,934	33,500	5,417	8,584	3,167	2.99%	0.00%
Standard Chartered Bank (Pak) Ltd	SCBPL	112,000	197,500	309,500	-	-	-	-	0.00%	0.00%
Faysal Bank Limited	FABL	-	140,000	140,000	-	-	-	-	0.00%	0.00%
Habib Bank Limited	HBL	-	36,000	7,000	29,000	3,298	3,597	299	1.25%	0.00%
Bank Al-Habib Limited	BAHL	-	76,500	76,500	-	-	-	-	0.00%	0.00%
National Bank Of Pakistan	NBP	-	294,000	61,000	233,000	9,549	8,656	(893)	3.02%	1.00%
Meezan Bank Limited	MEBL	-	197,900	140,900	57,000	7,686	13,645	5,959	4.75%	0.00%
<b>Fertilizer</b>										
Engro Corporation Limited	ENGRO	55,500	-	55,500	-	-	-	-	0.00%	0.00%
Engro Fertilizers Limited	EFERT	242,500	332,500	449,000	126,000	16,356	20,944	4,588	7.30%	1.00%
Fauji Fertilizer Company Limited	FFC	174,000	440,500	455,500	159,000	18,936	25,977	7,041	9.05%	1.00%
<b>Oil and gas exploration companies</b>										
Mari Petroleum Company Limited	MARI	10,800	4,500	15,300	-	-	-	-	0.00%	0.00%
Pakistan Oilfields Limited	POL	46,000	32,940	78,940	-	-	-	-	0.00%	0.00%

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

Name of the investee company	No. of shares				Balance as at June 30, 2024				Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	Symbol	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying Value	Market value as at June 30, 2024	Unrealised gain / (loss)		
------(Rupees in '000)------(%)-----										
<b>Oil and gas marketing companies</b>										
Attock Petroleum Limited	APL	59,000	44,875	88,375	15,500	5,346	5,987	641	2.09%	1.00%
<b>Paper and board</b>										
Security Papers Limited	SEPL	4,800	-	4,800	-	-	-	-	0.00%	0.00%
<b>Power generation and distribution</b>										
The Hub Power Company Limited	HUBC	266,000	304,600	489,600	81,000	8,221	13,209	4,988	4.60%	1.00%
Nishat Power Limited	NPL	245,000	194,000	264,500	174,500	4,460	6,898	2,438	2.40%	5.00%
Nishat Chunian Power Limited	NCPL	190,000	1,253,420	829,766	613,654	15,092	18,379	3,287	6.40%	17.00%
Laipir Power Limited	LPL	-	1,366,618	836,618	530,000	11,308	13,473	2,165	4.69%	14.00%
Kot Addu Power Company Limited	KAPCO	-	255,500	255,500	-	-	-	-	-	-
<b>Real estate investment trust</b>										
Dolmen City REIT	DCR	193,500	18,000	211,500	-	-	-	-	0.00%	0.00%
<b>Tobacco</b>										
Pakistan Tobacco Company Limited	PAKT	-	7,450	51	7,399	5,202	8,209	3,007	2.86%	0.00%
<b>Total as at June 30, 2024</b>										
						182,455	236,226	53,771		
<b>Total as at June 30, 2023</b>										
						179,251	177,209	(2,042)		

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

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

	2024	2023	2024	2023
	--- (Number of shares) ---	--- (Rupees in '000) ---	--- (Rupees in '000) ---	---
Attock Petroleum Limited	15,500	20,000	5,987	6,005
Bank Alfalah Limited	-	150,000	-	4,566
Fauji Fertilizer Company Limited	37,000	20,000	6,045	1,969
The Hub Power Company Limited	50,000	-	8,154	-
	102,500	190,000	20,186	12,540

## 6.2 Government securities - at fair value through profit or loss

Name of security	Issue date	Face value			Balances as at June 30, 2024		
		As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying Value	Unrealised gain / (loss)
<b>Treasury Bills</b>							
Market Treasury Bills - 3 months	15-Jun-2023	19,000,000	-	19,000,000	-	-	-
<b>Total as at June 30, 2024</b>							
Total as at June 30, 2023					18,261	18,234	(27)

These securities carry effective yield of 22.55% (June 30, 2023: 22.55%) per annum and will mature on September 07, 2023.

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

		2024	2023
	Note	(Rupees in '000)	
<b>7. MARK-UP RECEIVABLE</b>			
On saving accounts	7.1	714	445
7.1 These carry mark-up at the rates ranging from 19.0% to 20.50% per annum (2023: 12.25% to 19.50% per annum).			
<b>8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
Advance tax	8.1	117	117
Security deposits with NCCPL		1,000	1,000
		1,117	1,117
8.1 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. The amount of withholding tax deducted on mark-up on bank deposits has been shown as advance tax as at June 30, 2024, in the opinion of the management, the amount of tax deducted at source will be refunded.			
<b>9. PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Payable to Management company	9.1	846	164
Sindh Sales Tax payable on management fee	9.2	110	21
Payable against allocated expenses	9.3	22	-
Selling and Marketing expenses payable	9.4	350	-
Sales load payable		57	-
		1,385	185
9.1 The Management Company has charged remuneration at the rate of upto 4% (2023: 4%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.			
9.2 Sales tax on management remuneration has been charged at the rate of 13% (2023: 13%).			
9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).			
The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the Board of Directors of the Management Company.			

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

- 9.4 The SECP in Circular 01 of 2023 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 based on its own discretion has charged selling and marketing expenses while keeping in view the overall return and the total expense ratio limit of the Fund. During the year, the Management Company has charged the aforementioned expenses, at the rate of 0.4% from November 1, 2023 to February 15, 2024, 0.65% from February 16, 2024 to March 17, 2024, 0.45% from March 18, 2024 to April 18, 2024, 0.3% from April 19, 2024 to June 25, 2024 and 0.05% from June 26, 2024 to June 30, 2024 per annum of the average daily net assets during the reporting period.

	2024	2023
Note	—————(Rupees in '000)—————	—————(Rupees in '000)—————

## 10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY- TRUSTEE

Payable to Trustee	10.1	54	33
Sindh Sales Tax payable on trustee fees	10.2	7	4
		<u>61</u>	<u>37</u>

- 10.1 The Trustee, CDC is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is as follows:

Net assets value	Tariff per annum
Upto Rs.1,000,000,000	0.20% per annum of Net Assets
On amount exceeding Rs.1,000,000,000	Rs.2,000,000 plus 0.10% on amount exceeding Rs.1,000,000,000

- 10.2 Sindh Sales Tax at 13% (2023:13%) is charged on Trustee fee.

## 11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Annual Fee (SECP)	11.1	<u>26</u>	<u>30</u>
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- 11.1 Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

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

	2024	2023
Note	(Rupees in '000)	
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	428	356
Printing and related charges payable	40	40
Payable to legal advisor	31	37
Brokerage payable	256	110
Withholding tax payable	243	1
	998	544

**13. CONTINGENCIES AND COMMITMENTS**

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

**14. AUDITORS' REMUNERATION**

Annual audit fee	310	300
Income certificate	50	-
Half year review fee	80	75
	440	375
Sale tax and out of pocket expenses	75	125
	515	500

**15. TAXATION**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. 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. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company has distributed cash dividend that is at least 90 percent of the Fund's accounting income for the year ended June 30, 2024 as reduced by capital gains (whether realized or unrealized) to its unit holders in the form of cash.

**16. CASH AND CASH EQUIVALENTS**

Balances with banks	5	44,810	12,899
Short term investments	6.2	-	18,234
		44,810	31,133

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

**17. 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.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

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

	----- 2024 -----							
	As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at June 30, 2024	Amount outstanding as at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2024

\*These persons are also related party due to holding of more than 10% units of net assets of the Fund.

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

2023						
Unit Holders' Fund	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at June 30, 2023	Amount outstanding as at July 01, 2022	Issued for cash / conversion in / transferred in
					Amount outstanding as at July 01, 2022	Redeemed / conversion out / transfer out
						Amount outstanding as at June 30, 2023
MCB Investment Management Limited - Management Company *	600,000	48,812	100,644	548,166	59,812	5,000
Group / associated companies						
Adamjee Life Assurance Company Limited - IMF	500,000	-	-	500,000	49,844	-
Directors and executives of the Management Company	-	1,967	1,967	-	-	200
Unit holders holding 10% or more	-	686,663	-	686,663	-	76,241

\*These persons are also related party due to holding of more than 10% units of net assets of the Fund.

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

	2024	2023
	—————(Rupees in '000)—————	
<b>17.2 Details of transactions with related parties / connected persons during the year</b>		
<b>MCB Investment Management Limited- Management Company</b>		
Remuneration	7,527	1,505
Sindh Sales Tax on remuneration of the Trustee	978	196
Allocated Expenses	211	-
Marketing and selling expenses	940	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	596	301
Sindh Sales Tax on remuneration of the Trustee	78	39
CDC Settlement charges	50	14
<b>Group / associated company</b>		
<b>MCB Bank Limited</b>		
Purchase of 113,100 shares (2023: 132,800 Shares)	14,916	16,123
Sales 198,100 shares (2023:47,800 shares)	32,587	5,638
Dividend Income	1,911	1,939
Mark-up on bank balances	432	136
Bank charges	7	2
<b>Nishat Power Limited</b>		
Dividend Income	1,646	-
Purchase 194,000 shares (2023: 348,000 shares)	5,928	6,247
Sales 264,500 shares (2023:103,000 shares)	7,562	2,422
<b>Atlas Battery Limited</b>		
Purchase of 500 shares (2023: 100,000 shares)	126	1,965
Sale of 10,500 shares (2023: Nil shares)	2,437	-
Dividend Income	36	-
<b>Lalpir Power Limited</b>		
Purchase of 1,366,618 shares (2023: Nil shares)	28,555	-
Sale of 836,618 shares (2023: Nil shares)	20,839	-
Dividend Income	1,400	-

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

	2024	2023
	—————(Rupees in '000)—————	
<b>17.3 Details of balances with related parties / connected persons as at year end</b>		
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration payable	846	164
Sindh sales tax payable on remuneration	110	21
Other payable	429	-
Other receivable	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	54	1
Sindh sales tax payable on remuneration	7	-
<b>Group / associated company</b>		
<b>MCB Bank Limited</b>		
Nil shares (2023: 85,000) shares	-	-
Bank balance	1,396	-
<b>Nishat Power Limited</b>		
174,500 Shares (2023: 245,000 shares)	6,898	-
<b>Atlas Battery Limited</b>		
Nil shares (2023: 10,000 shares)	-	2044
<b>Lalpir Power Limited</b>		
530,000 Shares (2023: Nil shares)	13,473	-

**18 FINANCIAL RISK MANAGEMENT**

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

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

The Fund's primary financial assets comprise of balances with banks and at fair value through profit and loss investments, comprising of equity securities of listed companies. The Fund also has markup and other receivables. The Fund's principal financial liabilities include remuneration payable to Management company, Trustee and accrued and other liabilities.

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

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### 18.1 Market risk

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

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

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

#### 18.1.1 Currency risk

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

#### 18.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Presently, the Fund does not hold any variable rate financial instruments.

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

As at June 30, 2024 the Fund does not hold any fixed rate instruments, therefore, the Fund is not exposed to fair value interest rate risk.

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

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

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

----- 2024 -----					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial Assets</b>					
Bank balances	44,810	-	-	-	44,810
Investments	-	-	-	236,226	236,226
Markup receivable	-	-	-	714	714
Receivable against sale of investments	-	-	-	6,594	6,594
Other receivable	-	-	-	1,000	1,000
	44,810	-	-	244,534	289,344
<b>Financial Liabilities</b>					
Payable to MCB Investments Management Limited	-	-	-	1,275	1,275
Payable to the Central Depository Company- Trustee	-	-	-	54	54
Payable against purchase of investments	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	755	755
	-	-	-	2,084	2,084
	44,810	-	-	242,450	287,260
<b>On-balance sheet gap</b>					

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2024.

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

----- 2023 -----				
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Total
	Upto three months	More than three months and upto one year	More than one year	Not exposed to interest rate risk

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

**On-balance sheet financial instruments**

**Financial Assets**

Bank balances	12,899	-	-	-	12,899
Investments	18,234	-	-	177,209	195,443
Markup receivable	-	-	-	445	445
Receivable against sale of investments	-	-	-	11,912	11,912
Other receivable	-	-	-	1,000	1,000
	31,133	-	-	190,566	221,699

**Financial Liabilities**

Payable to the Management Company	-	-	-	164	164
Payable to the Trustee	-	-	-	33	33
Payable against purchase of investments	-	-	-	12,081	12,081
Accrued expenses and other liabilities	-	-	-	543	543
	-	-	-	12,821	12,821

**On-balance sheet gap**

	31,133	-	-	177,745	208,878
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There is no off-balance sheet financial instrument that exist as at year ended June 30, 2023.

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

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### 18.1.3 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 interest 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.

The Fund does not have exposure to equity price risk arising from its investments in equity securities due to the absence of no investment in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

### 18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The credit risk of the Fund principally arises from deposits and other receivable balances.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The main concentration to which the Fund is exposed arises from the Fund's bank balances. The Fund is also exposed to counterparty credit risk on investment in debt securities, amounts due from brokers, deposits and other receivable balances (except for investment in debt securities which are related to government sector and deposits with NCCPL and CDC are highly rated and risk of default is considered minimal). The Fund's maximum exposure to credit risk related to receivables at June 30, 2024 and June 30, 2023 is the carrying amounts of following financial assets.

The maximum exposure to credit risk as at June 30, 2024 and June 30, 2023 were as follows:

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

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees in '000)				
Bank balances	44,810	44,810	12,899	12,899
Investments	236,226	-	18,234	-
Receivable against sale of investments	6,594	6,594	11,912	11,912
Mark-up receivable	714	714	445	445
Deposits and other receivables	1,117	1,117	1,117	1,117
	<u>289,461</u>	<u>53,235</u>	<u>44,607</u>	<u>26,373</u>

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2024.

	2024	2023
	%	
<b>Bank balances by rating category</b>		
AAA	97.00%	10.47%
AA+	3.00%	89.53%
	<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2024 and June 30, 2023.

Deposits placed with NCCPL and CDC for the purpose of effecting transaction and settlement of listed securities. It is expected that all securities deposited with NCCPL and CDC will be clearly identified as being assets of the Fund, hence, the management believes that the Fund is not materially exposed to a credit risk with respect to such parties.

All transactions in listed securities are settled/paid for upon delivery using approved brokers and NCCPL. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The investment in debt securities include Market treasury bills which relate to government sector, hence, the management believes that the Fund is not materially exposed to a credit risk with respect to such parties.

Accordingly unrated balances including amounts due from brokers, deposits and other receivables have been assessed by the investment manager to have credit quality consistent with a bond can have and still be considered investment-grade. An investment grade bond is a bond considered to have a relatively low risk of default.

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

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### **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 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 obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, 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, without incurring unacceptable losses or risking damage to the Fund's reputation. Its 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.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not availed any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to 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 analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

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

2024			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one

(Rupees in '000)

**Liabilities**

Payable to the Management Company	1,275	1,275	-	-
Payable to the Trustee	54	54	-	-
Accrued and other liabilities	755	755	-	-
	2,084	2,084	-	-

2023			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one

(Rupees in '000)

**Liabilities**

Payable to the Management Company	164	164	-	-
Payable to the Trustee	33	33	-	-
Payable against purchase of investments	12,081	12,081	-	-
Accrued and other liabilities	543	543	-	-
	12,821	12,821	-	-

2024		
At fair value through	At amortised cost	Total

(Rupees in '000)

**18.4 Financial instruments by category**

**Financial Assets**

Bank balances	-	44,810	44,810
Investments	236,226	-	236,226
Markup receivable	-	714	714
Receivable against sale of investments	-	6,594	6,594
Deposits and other receivables	-	1,000	1,000
	236,226	53,118	289,344

**Financial Liabilities**

Payable to the Management Company	-	1,275	1,275
Payable to the Trustee	-	54	54
Payable to the Securities and Exchange Commission of Pakistan	-	26	26
Payable against purchase of investments	-	-	-
Accrued and other liabilities	-	755	755
	-	2,110	2,110

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

Financial instruments by category	2023		
	At fair value through	At amortised cost	Total
	(Rupees in '000)		
<b>Financial Assets</b>			
Bank balances	-	12,899	12,899
Investments	195,443	-	195,443
Mark-up receivable	-	445	445
Receivable against sale of investment	-	11,912	11,912
Other receivable	-	1,000	1,000
	195,443	26,256	221,699
<b>Financial Liabilities</b>			
Payable to the Management Company	-	164	164
Payable to the Trustee	-	33	33
Payable to the Securities and Exchange Commission of Pakistan	-	30	30
Payable against purchase of investments	-	12,081	12,081
Accrued and other liabilities	-	543	543
	-	12,851	12,851

**19. UNIT HOLDERS' FUND RISK MANAGEMENT**

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

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

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

**20. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

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

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

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

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>(Rupees in '000)</b>			
At fair value through profit or loss	236,226	-	-	236,226

	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>(Rupees in '000)</b>			
At fair value through profit or loss	177,209	18,234	-	195,443

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

- 20.1 Fair values of investments in government securities are determined based on PKRV rates disclosed at the MUFAP as at the close of the business days.

During the year ended June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

### 21. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding pattern of unit holding, list of top ten brokers, meetings of the Board of Directors of the management company, members of the Investment Committee and Fund Manager's details are as follows:

#### 21.1 UNIT HOLDERS PATTERN

UNIT HOLDERS CATEGORY

2024				
Number of unit holders	Number of units held	Investment Amount	Percentage of total investments	
(Rupees)				
Individuals	256	813,744	140,928	49.11%
Associated Companies	2	628,174	108,790	37.91%
Insurance Companies	2	214,916	37,220	12.97%
Public Limited Co.	1	302	52	0.02%
	261	1,657,136	286,990	100.00%

2023				
Number of unit holders	Number of units held	Investment Amount	Percentage of total investments	
(Rupees)				
Individuals	7	590,998	65,620	31.41%
Asset Management Company	1	548,168	60,864	29.13%
Associated Companies	1	500,000	55,516	26.57%
Others	39	242,623	26,939	12.89%
	48	1,881,789	208,939	100.00%

#### 21.2 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:

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

	2024 (Percentage)
1 Khadim Ali Shah Bukhari Security	9.19%
2 Efg Hermes Pakistan Limited	9.16%
3 Top Line Securities (Private) Limited	8.77%
4 Ismail Iqbal Securities (Private) Limited	8.56%
5 Optimas Capital Management	7.82%
6 Alfa Adhi Securities (Private) Limited	7.78%
7 Alfalah Clsa Securities (Private) Limited	7.71%
8 Next Capital Limited	7.19%
9 Insight Securities Limited	7.18%
10 Al Habib Capital Markets (Private) Limited	6.86%

**21.3 Attendance at meetings of the Board of Directors**

The 189th, 190th, 191th, 192nd, 193rd, 194th, 195th & 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	Attendance required	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Mr. Haroun Rashid	8	8	8	-	-
Mr. Ahmed Jahangir	8	8	8	-	-
Mr. Syed Savail Meekal Hussain	8	8	7	1	195th
Ms. Mavra Adil Khan	8	8	6	2	192nd & 195th
Mr. Shoaib Mumtaz	8	8	5	3	192nd, 193rd & 195th
Mr. Manzar Mushtaq	8	8	8	-	-
Mr. Fahd Kamal Chinoy	8	8	5	3	190th, 192nd & 195th
Mr. Muhammad Saqib Saleem*	5	8	5	-	-
Mr. Khawaja Khalil Shah **	3	8	3	-	-

\*Resigned on October 31, 2023

\* Appointed on November 01, 2023

**21.4 Particulars of investment committee and fund manager**

Detail of members of the investment committee of the Fund are as follow:

Name	Designation	Qualification	Experience in years
Khawaja Khalil Shah	Chief Executive Officer	MBA	32
Muhammad Asim	Chief Investment Officer	MBA & CFA	21
Awais Abdul Sattar	Portfolio Manager Equities	MBA & CFA	13
Saad Ahmed	Head of Fixed Income	MBA	18
Syed Abid Ali	Head of Equities	MBA	16
Usama Iqbal	Fund Manager	Graduate	20

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

### 21.5 Other funds managed by the fund manager

Mr. Syed Abid Ali is the Manager of the Fund as at year end. He has obtained a Masters degree in Business Administration. Other funds being managed by him are as follows:

MCB Pakistan Asset Allocation Fund  
Pakistan Capital Market Fund  
Pakistan Pension Fund

### 22. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 4.56% (June 30, 2023: 2.59%) as on June 30, 2024 and this include 0.53% (June 30, 2023: 0.22%) representing Government Levy and SECP fee respectively.

### 23. CORRESPONDING FIGURES

Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

### 24. GENERAL

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

### 25. 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.

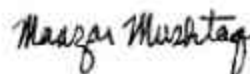
For MCB Investment Management Limited  
(Management Company)



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
114	A. 001-10,000	1,396
64	B. 10,001 – 100,000	15,885
52	C. 100,001 – 1000,000	91,371
31	D. 1000,001 & Above	1,548,484
<b>261</b>		<b>1,657,136</b>

## PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2024

Performance Information	2024	2023	2022
Total Net Assets Value – Rs. in million	286.9904	208.9378	109.6558
Net Assets value per unit – Rupees	173.1845	111.0314	99.6871
Closing Offer Price	179.0555	114.7954	103.0665
Closing Repurchase Price	173.1845	111.0314	99.6871
Highest offer price per unit	204.2319	117.7679	103.0665
Lowest offer price per unit	104.8227	99.9847	100.0000
Highest Redemption price per unit	197.5354	113.9065	100.0000
Lowest Redemption price per unit	101.3857	96.7064	99.6871
Distribution per unit – Rs. *	24	-	-
<b>Average Annual Return - %</b>			
One year	94.75	11.38	-0.31
Two year	53.07	5.54	NA
Three year	35.27	NA	NA
Net (loss) / Income for the period – Rs. in million	186.3210	18,260.942	(0.3442)
Distribution made during the year – Rs. in million	148.2860	-	-
Accumulated Capital Growth – Rs. in million	38.0350	18,260.942	(0.3442)

\* Date of Distribution

2024	
Date	Rate
June 25, 2024	24.00

2023	
Date	Rate
Nil	

2022	
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 as up.

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

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The Board of Directors of MCB Investment Management Limited (the Management Company of MCB Pakistan Dividend Yield Plan – MCB-PDYP) 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](http://www.mcbfunds.com)).

During the financial year ended June 30, 2024, the Management Company on behalf of MCB-PDYP participated in six (6) 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:

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Reason for Abstaining</b>
Number	39	39	0	0	-
(%ages)	100	100	0	0	-

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

**MCB INVESTMENT MANAGEMENT LIMITED**

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**UAN:** (+92-21) 111 468 378 (111 INVEST)

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