



MCB FUNDS  
Investments for Life

# QUATERLY REPORT

SEPTEMBER  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **PAKISTAN CAPITAL MARKET FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Shoaib Mumtaz</b> Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman <b>Director</b> Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir <b>Mr. Shoaib Mumtaz</b> Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain <b>Mr. Khawaja Khalil Shah</b>	<b>Member</b> <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.cdcPakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited	National Bank of Pakistan Standard Chartered Bank Limited Zarai Traqiati Bank Limited Bank Al Habib 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 QUARTER ENDED SEPTEMBER 30, 2024

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Capital Market Fund**'s accounts review for the quarter ended September 30, 2024.

### **Economy Review**

The new fiscal year began on a positive note with the government securing a staff-level agreement with the IMF for a 37-month Extended Fund Facility (EFF) worth approximately USD 7.0 billion. However, the formal approval was delayed due to the government's struggle to secure debt rollovers from friendly countries. After Pakistan fulfilled all preconditions the IMF Executive Board approved the program on September 27, 2024. Subsequently, the State Bank of Pakistan (SBP) received the first tranche of USD 1.0 billion, bolstering foreign exchange reserves and strengthening the currency as the USD/PKR parity appreciated by 0.2% in the quarter to close at 277.7.

The country posted a current account deficit (CAD) of USD 171mn in the first two months of the fiscal year 2025 (2MFY25) declining by 81% YoY compared to a deficit of USD 893mn in the corresponding period last year. The major contributor towards improving CAD was the remittances inflows which skyrocketed by 44.0% to USD 1.8bn. Trade Deficit increased by 21.7% YoY as exports rose by 7.2% while imports increased by 13.8% from a low base. The country's external position improved with SBP's foreign exchange reserves increasing to USD 10.7bn as of Sep-24 end compared to USD 9.4bn at the end of last fiscal year. This was on account of flows from IMF and multilateral sources.

Headline inflation represented by CPI averaged 9.2% during 1QFY25 compared to 29.0% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past nine months, a substantial drop in food prices aligning with global trends, and a reduction in international oil prices, which eased local fuel costs. Additionally, the base effect further contributed to the lower inflation figures.

As per the revised numbers the country's GDP grew by 2.5% in the financial year 2023-24 as compared to -0.2% last year. Agriculture grew by 6.4%, Services sector grew by 2.2% while industrial sector witnessed a decline of 1.2%. Historic high interest rates and inflation coupled with political uncertainty were the major culprits behind the subdued industrial and services output. On the fiscal side, FBR tax collection increased by 25.2% in 1QFY25 to PKR 2,556 billion, missing the target by PKR 96 billion.

### **Equity Market Review**

The KSE-100 Index maintained its upward momentum in the first quarter of FY25, hitting a new all-time high of 82,247 points. The rally was fueled by multiple factors, including a drop-in inflation to single digits and an unexpected 300bps interest rate cut by the SBP during the quarter. Investor confidence also strengthened after the IMF board approved the USD 7.0 billion EFF program, providing clarity on the external front. However, some profit-taking toward the end of the month led the index to close at 81,114 points, marking a quarterly gain of 2,669 points or +3.4% QoQ.



## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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During 1QFY25, Foreign investors, Insurance, and Corporates were net sellers with an outflow of USD 21.7 million, USD 19.2 million and USD 14.0 million, respectively. The foreign selling was on account FTSE rebalancing related outflow as Pakistan was reclassified from Secondary Emerging to Frontier market status. This selling was mainly absorbed by Individuals and Mutual Funds with inflow of USD 47.4 million and USD 18.8 million, respectively.

On activity front, average trading volumes for KSE-All Index remained almost static to 491.2 million shares compared to about 491.7 million shares in the preceding quarter. While the average trading value during the period saw a decline of -6.8% over previous quarter to near USD 105 million.

Fertilizer, E&P, and Banking sector were the major contributors to the index rally adding 2,198/1,532/1,002 points, respectively. Attractive dividend yield amid monetary easing garner investors interest in Banking & Fertilizer sector. While E&P sector also remained in the limelight due to surprise 800% bonus announcement by MARI. On the other hand, the power sector contributed a negative 1,323 points as the government announced plans to renegotiate or terminate contracts with Independent Power Producers (IPPs).

### **FUND PERFORMANCE**

During the period under review, the fund posted a return of 3.16% compared to the return of 3.64% posted by the benchmark.

On the equities front, the overall allocation stood at 67.3%. The exposure was mainly held in Commercial Banks and Cement.

On the fixed income side, the fund maintained its exposure towards cash to benefit from attractive rates offered by banks.

The Net Assets of the Fund as at September 30, 2024 stood at Rs. 535 million as compared to Rs. 520 million as at June 30, 2024 registering an increase of 2.88%.

The Net Asset Value (NAV) per unit as at September 30, 2024 was Rs. 17.65 as compared to opening NAV of Rs. 17.11 per unit as at June 30, 2024 showing an increase of Rs. 0.54 per unit.

### **Economy & Market – Future Outlook**

Pakistan's GDP growth is projected to inch up to 2.8% in FY25, compared to 2.5% last year. The industrial and services sectors are expected to expand by 3.5% and 3.0%, respectively, driven by a gradual recovery in demand and the base effect. However, agricultural growth is likely to remain modest at 1.9%, constrained by the high base effect and flood-related damage to the cotton crop.

The new IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 12.7bn by year end on the back of flows from friendly countries, IMF and multilateral agencies. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus, we would have to ensure a sustainable current account this year to stave off



## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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external concerns. We expect a CAD of USD 0.6bn (0.1% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella. We are of the view that improvement in exports and remittances and increased comfort on the external side after entering into the IMF program will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close Jun-25 around 289.4.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in September 2024 clocked of 6.9% compared to a high of 38.0% in May 2023. This was the lowest reading in the last 44 months. The core inflation also remained on a declining trajectory, clocking at 10.4% (29 months low). We expect inflation to further decelerate in the coming months as base effect will become more pronounced. We anticipate CPI to average around 6.8% in FY25 compared to 23.9% in FY24. As the real interest rate remains significantly positive we foresee further interest cuts, expecting policy rate to decline around 13.0% 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 9.7%, a discount of 48.4% from its historical average of 18.8%. Similarly, Earning Yield minus Risk Free Rate is close to 7.9%, 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 5.0x, while offering a dividend yield of 10.8%.

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

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 13.9% during 1QFY25 to PKR 2,931bn. Total money market funds grew by about 0.2% since Jun-24. Within the money market sphere, conventional funds showed a growth of 19.4% to PKR 751bn while Islamic funds declined by 17.7% to PKR 559bn. In addition, the total fixed Income and Fixed Rate funds increased by about 35.1% since Jun-24 to PKR 1,298bn while Equity and related funds increased by 5.6% to PKR 270bn.

In terms of the segment share, Money Market funds were the leader with a share of around 44.7%, followed by Income and fixed return funds with 44.3% and Equity and Equity related funds having a share of 9.2% as at the end of Sep-24.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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### Mutual Fund Industry Outlook

Interest rates trajectory and expectations of further monetary easing shall continue to attract inflows in longer tenor instrument linked funds including Sovereign Funds and Income Funds. Money market funds should also benefit from higher liquidity as they are ideal for investors with a short-term horizon and low risk profile. With improved external account post agreement with IMF, long-term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

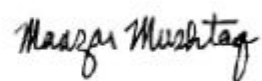
### ACKNOWLEDGMENT

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

On behalf of Directors,



**Khawaja Khalil Shah**  
Chief Executive Officer  
October 21, 2024



**Manzar Mushtaq**  
Director  
October 21, 2024



اعتراف

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

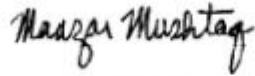
ڈائریکٹرز کی جانب سے،



خواجه غیل شاہ

چیف ایگزیکٹو آفیسر

21 اکتوبر، 2024



منظر مشتاق

ڈائریکٹر

21 اکتوبر، 2024

شرح کے نقطہ نظر کے تناظر میں سرمائے میں اضافے کے مواقع پیدا کرے گی۔ ہم نے انکم فنڈز میں حکومتی بانڈز شامل کیے ہیں تاکہ مستقبل قریب میں متوقع مزید مالیاتی نرمی سے فائدہ اٹھایا جاسکے۔

#### میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈز انڈسٹری کے خالص اثاثے 1QFY25 کے دوران تقریباً 13.9 فیصد بڑھ کر 2,931 PKR بلین ہو گئے۔ 24 جون سے کل منی مارکیٹ فنڈز میں تقریباً 0.2 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرے میں، روایتی فنڈز 19.4 فیصد اضافے کی وجہ سے 751 PKR بلین ہو گئے جبکہ اسلامی فنڈز نے 17.7 فیصد کمی کی وجہ سے 559 PKR بلین ہو گئے۔ مزید برآں، کل فکسڈ انکم اور فکسڈ ریٹ فنڈز جون 24 سے تقریباً 35.1 فیصد بڑھ کر 1,298 PKR بلین ہو گئے جبکہ ایکویٹی اور متعلقہ فنڈز 5.6 فیصد بڑھ کر 270 PKR بلین ہو گئے۔

سیگمنٹ شیئر کے لحاظ سے، منی مارکیٹ فنڈز تقریباً 44.7 فیصد کے شیئر کے ساتھ سرفہرست تھے، اس کے بعد انکم اور فکسڈ ریٹ فنڈز 44.3 فیصد کے ساتھ اور ایکویٹی اور ایکویٹی سے متعلقہ فنڈز کا حصہ ستمبر 24 کے آخر تک 9.2 فیصد تھا۔

#### میوچل فنڈ انڈسٹری آؤٹ لک

شرح سود کی رفتار اور مزید مالیاتی نرمی کی توقعات طویل مدتی انشرومنٹ سے منسلک فنڈز بشمول Sovereign Funds اور Income Funds میں آمد کو راغب کرتی رہیں گی۔ منی مارکیٹ فنڈز کو بھی زیادہ لیکویڈیٹی سے فائدہ اٹھانا چاہیے کیونکہ یہ قلیل مدتی افق اور کم رسک پروفائل والے سرمایہ کاروں کے لیے مثالی ہیں۔ IMF کے ساتھ بہتر ایکسٹرنل اکاؤنٹ پوسٹ ایگریمنٹ کے ساتھ، طویل مدتی سرمایہ کاران انتہائی پرکشش سطحوں پر ایکویٹی میں سرمایہ کاری کرنے کی کوشش کریں گے۔ ہمارے کام بغیر کسی رکاوٹ کے جاری رہے اور ڈیجیٹل رسائی اور آن لائن کسٹمرز کے تجربے میں مسابقتی برتری کے پیش نظر، ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد کے فوائد حاصل کرنے کے لیے تیار ہیں۔

## ڈائریکٹر رپورٹ

معاهدوں پر دوبارہ گفت و شنید یا ختم کرنے کے منصوبوں کا اعلان کیا۔

### فنز کی کارکردگی

زیر جائزہ مدت کے دوران، فنز نے 3.64 فیصد بیچ مارک ریٹرن کے مقابلے میں 3.16 فیصد کا ریٹرن دیا۔

ایکویٹی کے محاذ پر، مجموعی طور پر مختص 67.3 فیصد رہی۔ سرمایہ کاری بنیادی طور پر کمرشل بینکوں اور سیمنٹ کی کمپنیوں میں کی گئی۔

مقررہ آمدنی کے فنز کی طرف، فنز نے بینکوں کی طرف سے پیش کردہ پرکشش شرح سود سے فائدہ اٹھانے کے لیے کیش کی طرف اپنی سرمایہ کاری کو برقرار رکھا۔

30 جون 2024 تک فنز کے خالص اثاثے 520 ملین روپے تھے جب کہ 30 ستمبر 2024 کو یہ 535 ملین روپے رہے جو 2.88 فیصد کے اضافے کو ظاہر کرتے ہیں۔

30 جون 2024 اوپننگ نیٹ اثاثہ (NAV) کی قیمت فی یونٹ 17.11 روپے تھی جب کہ 30 ستمبر 2024 کو یہ فی یونٹ 17.65 روپے رہی جو 0.54 روپے فی یونٹ کے اضافے کو ظاہر کرتی ہے۔

### معیشت اور مارکیٹ - مستقبل کا آؤٹ لک

پاکستان کی جی ڈی پی کی شرح نمو FY 25 میں 2.8 فیصد تک رہنے کا امکان ہے، جو کہ گزشتہ سال 2.5 فیصد تھی۔ صنعتی اور خدمات کے شعبوں میں بالترتیب 3.5 فیصد اور 3.0 فیصد کی توسیع متوقع ہے، جس کی وجہ طلب میں بتدریج بحالی اور بنیادی اثر ہے۔ تاہم، زرعی نمو 1.9 فیصد پر معمولی رہنے کا امکان ہے، جو کہ اعلیٰ بنیادی اثر اور کپاس کی فصل کو سیلاب سے متعلق نقصانات کی وجہ سے محدود ہے۔

آئی ایم ایف کا نیا پروگرام کلیدی مثبت ہے کیونکہ یہ ہمیں دو طرفہ اور کثیر جہتی ذرائع سے فنڈنگ حاصل کرنے کی اجازت دیتا ہے۔ ہم توقع کرتے ہیں کہ دوست ممالک، آئی ایم ایف اور کثیر جہتی ایجنسیوں کی جانب سے آنے والے بہاؤ کی وجہ سے سال کے آخر تک SBP کے ذخائر بڑھ کر USD 12.7 بلین ہو جائیں گے۔ تاہم، ہماری بیرونی پوزیشن اب بھی



غیر یقینی ہے کیونکہ ہم چیلنجنگ عالمی حالات کی وجہ سے بین الاقوامی یورو بانڈ یا سکوک جاری کرنے کا امکان نہیں رکھتے ہیں۔ FDI اور RDA سے حاصل ہونے والی آمدنی کا بھی موجودہ معاشی چیلنجوں کی وجہ سے خاموش رہنے کا امکان ہے۔ اس طرح، ہمیں بیرونی خدشات کو دور کرنے کے لیے اس سال ایک پائیدار کرنٹ اکاؤنٹ کو یقینی بنانا ہوگا۔ ہم FY25 میں 0.6 USD بلین (GDP کا 0.1 فیصد) کی CAD کی توقع کرتے ہیں کیونکہ IMF کی چھتری کے تحت استحکام کی پالیسی جاری رہنے کا امکان ہے۔ ہمارا خیال ہے کہ برآمدات اور ترسیلات زر میں بہتری اور آئی ایم ایف پروگرام میں داخل ہونے کے بعد بیرونی طرف سے استحکام میں اضافہ ہوگا اور قریب مدت میں کرنسی کو مستحکم رکھے گا۔ ہمیں توقع ہے کہ اس سال کرنسی کی قدر میں معمولی کمی PKR/USD کو جون 2025 کے قریب 289.4 پر بند کرے گی۔

بنیادی اثر اور نسبتاً مستحکم کرنسی کی وجہ سے افراط زر کی شرح میں کمی آنا شروع ہو گئی ہے۔ ستمبر 2024 میں ہیڈ لائن افراط زر کی تعداد مئی 2023 میں 38.0 فیصد کی بلند ترین شرح کے مقابلے میں 6.9 فیصد تک پہنچ گئی۔ یہ پچھلے 44 مہینوں میں سب سے کم ریڈنگ تھی۔ بنیادی افراط زر بھی گرتی ہوئی رفتار پر رہا، جو 10.4 فیصد (29 ماہ کی کم ترین سطح) پر پہنچ گیا۔ ہمیں توقع ہے کہ آنے والے مہینوں میں افراط زر مزید کم ہو جائے گا کیونکہ بنیادی اثر مزید واضح ہو جائے گا۔ ہم توقع کرتے ہیں کہ مالی سال 24 میں 23.9 فیصد کے مقابلے میں مالی سال 25 میں CPI اوسطاً 6.8 فیصد رہے گا۔ چونکہ حقیقی شرح سود نمایاں طور پر مثبت رہتی ہے، ہم مزید سود میں کٹوتیوں کی پیش گوئی کرتے ہیں، جون 2025 تک پالیسی کی شرح تقریباً 13.0 فیصد کم ہونے کی توقع رکھتے ہیں۔

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 9.7 فیصد پر ہے، جو اس کی تاریخی اوسط 18.8 فیصد سے 48.4 فیصد کی چھوٹ ہے۔ اسی طرح، ارننگ پیچیلڈ مائنس رسک فری ریٹ 7.9 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 بڑھانے میں مدد کرے گا۔ ہمیں یقین ہے کہ سیکٹرز اور اسٹاکس کا ایک مائیکرو ویو اہم رہے گا اور سرمایہ کاری کے انتخاب کو ان کمپنیوں پر توجہ مرکوز کرنی چاہیے، جو اپنی اصل قیمت پر گہری رعایت پر تجارت کرتی ہیں۔ مارکیٹ فی الحال 5.0x PER پر ٹریڈ کر رہی ہے، جبکہ 10.8 فیصد کی منافع بخش پیداوار پیش کر رہی ہے۔

قرض ہولڈرز کے لیے، ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈز سال بھر میں بغیر کسی رکاوٹ کے پالیسی شرحوں کے آئینہ دار رہیں گے۔ وسط سے طویل مدتی نقطہ نظر کے حامل سرمایہ کار بانڈ اور انکم فنڈز سے فائدہ اٹھا سکتے ہیں جہاں زیادہ مدت سود کی

## ڈائریکٹر رپورٹ

میں 2.5 فیصد اضافہ ہوا۔ زراعت میں 6.4 فیصد اضافہ ہوا، خدمات کے شعبے میں 2.2 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 1.2 فیصد کی کمی دیکھی گئی۔ صنعتی اور خدمات کے آؤٹ پٹ میں کمی کے پیچھے تاریخی بلند شرح سود اور مہنگائی کے ساتھ سیاسی غیر یقینی صورتحال سب سے بڑے مجرم تھے۔ مالیاتی پہلو پر، FBR کی ٹیکس وصولی 1QFY25 میں 25.2 فیصد بڑھ کر 2,556 بلین روپے ہو گئی، جو ہدف 96 ارب روپے سے کم ہے۔

### ایکویٹی مارکیٹ کا جائزہ

KSE-100 انڈیکس نے FY 25 کی پہلی سہ ماہی میں اپنی اوپر کی رفتار کو برقرار رکھا اور 82,247 پوائنٹس کی نئی بلند ترین سطح کو چھو لیا۔ ریلی کو متعدد عوامل نے تقویت بخشی، بشمول سنگل ہندسوں میں گراؤٹ میں افراط زر اور سہ ماہی کے دوران اسٹیٹ بینک کی جانب سے غیر متوقع طور پر 300bps شرح سود میں کمی شامل ہیں۔ IMF بورڈ کی جانب سے 7.0 بلین امریکی ڈالر کے EFF پروگرام کی منظوری کے بعد سرمایہ کاروں کا اعتماد بھی مضبوط ہوا، جس نے بیرونی محاذ پر وضاحت کی۔ تاہم، مہینے کے آخر میں کچھ منافع لینے کی وجہ سے انڈیکس 81,114 پوائنٹس پر بند ہوا، جس سے 2,669 پوائنٹس یا +3.4% QoQ کا سہ ماہی اضافہ ہوا۔

1QFY25 کے دوران، غیر ملکی سرمایہ کار، انشورنس، اور کارپوریٹس بالترتیب 21.7 USD ملین، 19.2 USD ملین اور 14.0 USD ملین کے ساتھ خالص فروخت کنندگان تھے۔ غیر ملکی فروخت FTSE کے دوبارہ توازن سے متعلق اخراج کی وجہ سے تھی کیونکہ پاکستان کی سیکنڈری ایمرجنگ سے فرنیچر مارکیٹ اسٹیٹس میں دوبارہ درجہ بندی کیا گیا تھا۔ اس فروخت کو بالترتیب 47.4 USD ملین اور 18.8 USD ملین کے ساتھ انفرادی اور میوچل فنڈز نے جذب کیا۔

مرگرمی کے محاذ پر، KSE-All Index کے لیے اوسط تجارتی حجم گزشتہ سہ ماہی میں 491.7 ملین شیئرز کے مقابلے 491.2 ملین شیئرز پر تقریباً مستحکم رہا۔ جبکہ اس مدت کے دوران اوسط تجارتی قدر میں کچھ کمی سہ ماہی کے مقابلے میں -6.8 فیصد کی کمی دیکھی گئی جو 105 ملین امریکی ڈالر کے قریب ہے۔

فریٹلائزر، ای اینڈ پی، اور بینکنگ سیکٹر نے انڈیکس کی ریلی میں بالترتیب 1,002 / 1,532 / 2,198 پوائنٹس کا اضافہ کیا۔ مالیاتی نرمی کے درمیان پرکشش منافع بخش پیداوار نے بینکنگ اور فریٹلائزر سیکٹر میں سرمایہ کاروں کی دلچسپی حاصل کی۔ جبکہ ای اینڈ پی سیکٹر بھی MARI کی جانب سے 800 فیصد بونس کے حیران کن اعلان کی وجہ سے سرخیوں میں رہا۔ دوسری طرف، پاور سیکٹر نے منفی 1,323 پوائنٹس کا حصہ ڈالا کیونکہ حکومت نے انڈیپنڈنٹ پاور پروڈیوسرز (IPPs) کے ساتھ



پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے پاکستان کیپٹل مارکیٹ فنڈ کے 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے اکاؤنٹس کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

معیشٹ کا جائزہ

نئے مالی سال کا آغاز مثبت ہوا جب حکومت نے IMF کے ساتھ 37 ماہ کے توسیعی فنڈ سہولت (EFF) کے لیے تقریباً 7.0 بلین امریکی ڈالر کا اسٹاف لیول معاہدہ کیا۔ تاہم، حکومت کی جانب سے دوست ممالک سے قرضوں کی واپسی کے لیے جدوجہد کی وجہ سے رسمی منظوری میں تاخیر ہوئی۔ پاکستان کی جانب سے تمام پیشگی شرائط پوری کرنے کے بعد IMF کے ایگزیکٹو بورڈ نے 27 ستمبر 2024 کو پروگرام کی منظوری دی۔ اس کے بعد، اسٹیٹ بینک آف پاکستان (SBP) کو 1.0 بلین امریکی ڈالر کی پہلی قسط موصول ہوئی، جس سے زرمبادلہ کے ذخائر میں اضافہ ہوا اور کرنسی کو PKR/USD کے طور پر مضبوط کیا گیا جس کی برابری سہ ماہی میں 0.2 فیصد سے بڑھ کر 277.7 پر بند ہوئی۔

ملک نے مالی سال 2025 (2MFY25) کے پہلے دو مہینوں میں 171 USD بلین کا کرٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جس میں گزشتہ سال کی اسی مدت میں 893 USD بلین کے خسارے کے مقابلے میں 81 فیصد YoY کی کمی واقع ہوئی۔ CAD کو بہتر بنانے میں سب سے بڑا حصہ ترسیلات زر کا تھا جو 44.0 فیصد اضافے سے 1.8 USD بلین تک پہنچ گیا۔ تجارتی خسارے میں سالانہ 21.7 فیصد اضافہ ہوا جیسا کہ برآمدات میں 7.2 فیصد اضافہ ہوا جبکہ کم بنیاد درآمدات میں 13.8 فیصد اضافہ ہوا۔ SBP کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے آخر میں 9.4 USD بلین کے مقابلے میں ستمبر 2024 کے آخر تک بڑھ کر 10.7 USD بلین تک پہنچے جو ملک کی بیرونی پوزیشن میں بہتری کا سبب بنے۔ یہ آئی ایم ایف اور کثیر جہتی ذرائع سے آنے والے بہاؤ کی وجہ سے تھا۔

1QFY25 کے دوران CPI کی طرف سے پیش کردہ ہیڈ لائن افراط زر کی اوسط 9.2 فیصد رہی جو پچھلے سال کی اسی مدت میں 29.0 فیصد تھی۔ اس تیزی سے گراؤ کی وجہ گزشتہ نو مہینوں کے دوران کرنسی کے استحکام، عالمی رجحانات کے مطابق خوراک کی قیمتوں میں خاطر خواہ کمی، اور تیل کی بین الاقوامی قیمتوں میں کمی، جس سے ایندھن کی مقامی قیمتوں میں نرمی آئی ہے۔ مزید برآں، بنیادی اثر نے افراط زر کے کم اعداد و شمار میں مزید حصہ ڈالا۔

نظر ثانی شدہ اعداد کے مطابق مالی سال 2024-2023 میں ملک کی جی ڈی پی میں گزشتہ سال -0.2 فیصد کے مقابلے



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2024

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	170,210	157,443
Investments	5	370,058	365,368
Dividend and profit receivables	-	4,517	2,942
Advances, deposits and prepayments		4,795	9,921
<b>Total assets</b>		<b>549,580</b>	<b>535,674</b>
<b>LIABILITIES</b>			
Payable to the Management Company		1,741	1,924
Payable to the Central Depository Company of Pakistan Limited - Trustee		100	96
Payable to the Securities and Exchange Commission of Pakistan		37	36
Payable against purchase of investment		2,792	2,660
Payable against redemption of units		216	216
Accrued expenses and other liabilities	7	9,860	10,375
<b>Total liabilities</b>		<b>14,746</b>	<b>15,307</b>
<b>NET ASSETS</b>		<b>534,835</b>	<b>520,367</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>534,835</b>	<b>520,367</b>
<b>Contingencies and commitments</b>	9		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>30,298,974</b>	<b>30,406,586</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>17.65</b>	<b>17.11</b>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information

For MCB Investment Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		September 30,	
		2024	2023
	Note	(Rupees in '000)	
<b>INCOME</b>			
Dividend income		16,067	5,943
Income from government securities		-	2,825
Profit on bank deposits		7,234	3,048
Capital (loss)/ gain on sale of investments - net		(9,044)	8,209
Income on NCCPL deposit against exposure margin		49	71
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net		8,415	15,709
<b>Total income</b>		<b>22,720</b>	<b>35,806</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		4,606	3,045
Sindh Sales Tax on remuneration of the Management Company.		691	396
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		265	182
Sales Tax on remuneration of the trustee		40	24
Securities and Exchange Commission of Pakistan - fee		112	77
Allocated expense		-	91
Securities transaction cost		310	425
Settlement, bank charges		111	123
Auditors' remuneration		176	191
Printing and related cost		25	25
Legal and professional charges		87	79
<b>Total expenses</b>		<b>6,423</b>	<b>4,659</b>
<b>Net income from operating activities</b>		<b>16,297</b>	<b>31,148</b>
Taxation	11	-	-
<b>Net income for the period</b>		<b>16,297</b>	<b>31,148</b>
<b>Allocation of net income for the period:</b>			
Net income for the period		16,297	31,148
Income already paid on units redeemed		(31)	(65)
		<b>16,266</b>	<b>31,082</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	23,919
- Excluding capital gains		16,266	7,163
<b>Accounting income available for distribution</b>		<b>16,266</b>	<b>31,082</b>
<b>Earning per unit</b>			

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For MCB Investment Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	September 30,	
	2024	2023
	----- (Rupees in '000) -----	
Net income for the period	16,297	31,148
Other comprehensive income for the period	-	-
Total comprehensive income for the period	16,297	31,148

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For MCB Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	September 30,					
	2024			2023		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	339,350	181,017	520,367	311,562	21,433	332,995
Issuance of 144,948 units (2023: 3,856,843 units)	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	2,480	-	2,480	42,502	-	42,502
- Element of income	47	-	47	2,503	-	2,503
Total proceeds on issuance of units	2,527	-	2,527	45,006	-	45,006
Redemption of 252,560 units (2023: 3,471,473 units)	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	4,321	-	4,321	38,190	-	38,190
- Element of loss	4	31	35	2,542	65	2,607
Total payments on redemption of units	4,325	31	4,356	40,732	65	40,798
Total comprehensive income for the period	-	16,297	16,297	-	31,148	31,148
Final Distribution for the year ended June 30, 2023 at the rate of Rs. 10.62 per unit.	-	-	-	-	(12,082)	(12,082)
Net Income for the period	-	16,297	16,297	-	19,065	19,065
<b>Net assets at end of the period</b>	<b>337,552</b>	<b>197,283</b>	<b>534,835</b>	<b>315,836</b>	<b>40,433</b>	<b>356,269</b>
Undistributed income brought forward	-	-	-	-	-	-
- Realised	-	78,587	78,587	-	27,052	27,052
- Unrealised	-	102,430	102,430	-	(5,619)	(5,619)
		181,017	181,017		21,433	21,433
Accounting income available for distribution	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	23,919	23,919
- Excluding capital gains	16,266	-	16,266	7,163	-	7,163
		16,266	16,266		31,082	31,082
Distribution during the period	-	-	-	-	(12,082)	(12,082)
Undistributed income carried forward	-	197,283	197,283	-	40,433	40,433
Undistributed income carried forward	-	-	-	-	-	-
- Realised	-	188,868	188,868	-	24,723	24,723
- Unrealised	-	8,415	8,415	-	15,709	15,709
		197,283	197,283		40,433	40,433
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	17.11			11.02		
Net assets value per unit at end of the period	17.65			11.65		

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

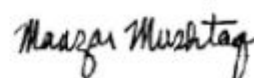
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	September 30,	
	2024	2023
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	16,297	31,148
<b>Adjustments for:</b>		
Unrealised diminution in value of investments classified as at fair value through profit or loss - net	(8,415)	(15,709)
	(8,415)	(15,709)
<b>Decrease / (Increase) in assets</b>		
Investments	3,725	65,850
Dividend and profit receivables	(1,575)	(1,488)
Advances, deposits and prepayments	5,126	-
Receivable against sale of investments	-	(537)
	7,275	63,825
<b>Increase/ (Decrease) in liabilities</b>		
Payable to the Management Company	(183)	46
Payable to the Central Depository Company of Pakistan Limited - Trustee	4	-
Payable to the Securities and Exchange Commission of Pakistan	1	(46)
Payable against purchase of investment	132	(8,720)
Accrued expenses and other liabilities	(515)	326
	(561)	(8,393)
<b>Net cash generated from operating activities</b>	14,596	70,870
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	2,527	45,006
Dividend	-	(12,082)
Payment against redemption of units	(4,356)	(40,798)
<b>Net cash used in financing activities</b>	(1,829)	(7,873)
<b>Net decrease in cash and cash equivalents during the period</b>	12,767	62,997
Cash and cash equivalents at beginning of the period	157,443	47,311
<b>Cash and cash equivalents at end of the period</b>	170,210	110,308

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

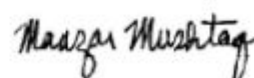
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB Investment Management Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Funds are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the fund had been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 Pakistan Capital Market Fund as a closed-end scheme was authorized by the SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorized as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities, secured debt securities, money market transactions and reverse re-purchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 04, 2024 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

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

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



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2024. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2024 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2024, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2023.
- 2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2024. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2024.

		(Unaudited) September 30, 2024	(Audited) June 30, 2024
		---- (Rupees in '000) ----	
<b>4 BALANCES WITH BANKS</b>			
Current accounts	4.1	4,190	2,790
Savings accounts	4.2	166,019	154,653
		<u>170,210</u>	<u>157,443</u>

- 4.1** These include Rs. 1.4 million (2024: Rs 0.098 million) maintained with MCB Bank Limited, a connected person / related party
- 4.2** These carry profit at the rates ranging from 16% to 19% (2024: 19 to 20.5% ) per annum and include Rs.1.697 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 16% per annum

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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\*\*\*\*\* The above include shares with a market value aggregating to Rs. 15,529 million (June 30 2024: 14,590 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Funds trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### 6 PAYABLE TO THE MANAGEMENT COMPANY

		(Unaudited) September 30, 2024	(Audited) June 30, 2024
		— (Rupees in '000) —	
Remuneration payable	6.1	1,514	1,328
Sales tax on remuneration payable	6.2	227	173
Allocated expense payable		-	34
Selling and marketing expense payable		-	389
		<u>1,741</u>	<u>1,924</u>

6.1 As per the offering document, the Management Company has charged remuneration up to 4% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 During the period, sales tax on management remuneration has been increased from 13% to 15%.

	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
		— (Rupees in '000) —	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty and related tax			
- On management fee	7.1	5,872	5,872
- Sales load		393	393
Legal and professional charges		33	39
Withholding tax payable		12	447
Dividend payable		2,783	2,783
Auditors' remuneration		673	498
Brokerage		28	104
Other		66	239
		<u>9,860</u>	<u>10,375</u>

#### 7.1 Provision for Federal Excise Duty and related tax

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2024. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2024 would have been higher by Re.0.21 per unit (June 30, 2024: Re. 0.21 per unit).

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

	(Unaudited) September 30, 2024	(Audited) June 30, 2024
	— (Rupees in '000) —	
SECP fee payable	37	36
	<u>37</u>	<u>36</u>

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged SECP fee at the rate of 0.085% of average Net Assets of the scheme, calculated on daily basis. The fee is paid to the commission on monthly basis in arrears.

### 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2024 and June 30, 2024

### 10 EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2024 is 4.85% which includes 0.67% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

### 11 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore, no provision for taxation has been made in these condensed interim financial statements during the period. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

## 12 EARNINGS / (LOSS) PER UNIT

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

## 13 TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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

### 13.1 Details of transactions with connected persons are as follows:

	(Unaudited) For the Quarter Ended September 30, 2024      2023 ----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration for the period including indirect taxes	5,297	3,441
Allocated expense	-	91
<b>MCB Bank Limited</b>		
Bank charges	3	-
Mark-up income	59	-
<b>D.G Khan Cement Company Limited</b>		
Purchase of Nil (2023: 112,500) shares	-	5,449
Sale of Nil (2023: 258,500) shares	-	11,074
<b>International Steels Limited</b>		
Purchase of 140,000 (2023: 140,000) shares	-	6,676
Dividend	-	350
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	304	206
CDS charges	9	24

### 13.2 Amounts outstanding as at period / year end:

	(Unaudited) September 30, 2024 ---(Rupees in '000)---	(Audited) June 30, 2024
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration payable	1,514	1,328
Sales tax payable on management fee	227	173
Allocated expense payable	-	34
Selling and Marketing expense payable	-	389
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposit	300	300
Remuneration payable	87	85
Sales tax payable on trustee fee	13	11
<b>MCB Bank Limited</b>		
Bank balance	3,097	1,753

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

## 13.3 Transaction during the period with connected persons / related parties in units of the fund.

September 30, 2024 (Un-Audited)							
As at July 01, 2024	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2024	As at July 01, 2024	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2024
(Units)				(Rupees in '000)			
Directors and executives of the Management Company	8	-	-	8	-	-	-
Unit holders holding 10% or more units *	3,831,548	-	-	3,831,548	65,558	-	67,627

September 30, 2023 (Un-Audited)							
As at July 01, 2023	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2023	As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2023
(Units)				(Rupees in '000)			
Directors and executives of the Management Company	8	-	-	8	-	-	-
Unit holders holding 10% or more units *	3,500,802	112,078	-	3,612,880	-	1,190	42,074

## 14 FAIR VALUE MEASUREMENTS

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

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

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

### Fair value hierarchy

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

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

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

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

## 15 GENERAL

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

15.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

## 16 DATE OF AUTHORISATION FOR ISSUE

16.1 These condensed interim financial statements were authorized for issue on October 21, 2024 by the Board of Directors of the Management Company.

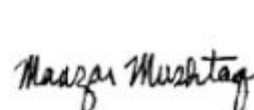
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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