



MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN ASSET ALLOCATION FUND

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FUND'S INFORMATION

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Asset Allocation Fund's** accounts review for the half year ended December 31, 2024.

Economy Review

The 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. After Pakistan fulfilled all the required 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 lending support to the the currency as the USD/PKR parity remained stable around 278.5 during the first half of the fiscal year.

The country posted a current account Surplus of USD 1.2bn in the first six months of the fiscal year 2025 (1HFY25) compared to a deficit of USD 1.4bn in the corresponding period last year. The major contributor towards improving current account was the remittances inflows which skyrocketed by 32.8% to USD 4.4bn. Trade Deficit increased by 12.6% YoY as exports rose by 7.2% while imports increased by 9.3% from a low base. The county's external position improved with SBP's foreign exchange reserves increasing to USD 11.7bn as of Dec-24 end compared to USD 9.4bn at the end of last fiscal year. This was on account of current account surplus and flows from IMF and multilateral sources.

Headline inflation represented by CPI averaged 7.3% during 1HFY25 compared to 28.8% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year, which led to stable food and energy prices. Additionally, the large decline in wheat prices and base effect further contributed to the lower inflation figures.

The country's GDP grew by 0.9% in the first quarter of the financial year 2024-25 as compared to 2.3% in the corresponding period last year. Agriculture grew by 1.2%, Services sector grew by 1.4% while industrial sector witnessed a decline of 1.0%. Historic high interest rates and political uncertainty were the major culprits behind the subdued industrial output. On the fiscal side, FBR tax collection increased by 25.9% in 1HFY25 to PKR 5,623 billion, missing the target by PKR 386 billion. The shortfall is largely attributed to reduced tax collection from imports due to a slowdown in trade, sluggish growth and low inflation.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Equity Market Review

KSE-100 Index delivered a stellar performance in the first half of the fiscal year, reaching a new all-time high of 116,169 points. The performance was driven by multiple catalysts, including inflation figures falling to a 80-month low and 900bps interest rate cut by the State Bank of Pakistan (SBP). Additionally, the IMF Board's approval of the USD 7 billion Extended Fund Facility (EFF) provided clarity on the external front and bolstered investor confidence. Furthermore, the foreign currency deposits rollover by friendly countries and consecutive monthly current account surplus provided additional impetus to the rally. Some market volatility was observed in the month of December 24, causing the index to settle at 115,126 points, an increase of 36,682 points or 46.8%.

During 1HFY25, Foreign investors were net sellers with an outflow of USD 186.8 million. The massive 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 Mutual Funds, Corporates and Individuals with inflow of USD 182.7 million, USD 26.7 million, and USD 26.3 million.

On activity front, average trading volumes for KSE-All Index improved by 54.8% to 686.3 million shares compared to about 443.3 million shares in the preceding half. While the average trading value during the period saw an increase of 65.6% over previous half to near USD 99 million.

E&P, Fertilizer, and Banking sector were the major contributors to the index gain adding 8,280/7,798/7,227 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 and improvement in the liquidity position of circular debt linked companies. On the other hand, the power sector contributed a negative 404 points as the government has renegotiated or terminated contracts with Independent Power Producers (IPPs).

FUND PERFORMANCE

The fund posted a return of 43.78% during the period under review against the benchmark return of 40.63%. The fund has gradually decreased exposure in equities which reached to 77.6% by the end of December 31, 2024 and at the same time it increased the exposure in cash to 20.8% by December 31, 2024.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2024

On the equity side, the fund was mainly invested in Commercial Banks and Cement.

The Net Assets of the Fund as at December 31, 2024 stood at Rs. 766 million as compared to Rs. 672 million as at June 30, 2024 registering a increase of 13.98%. The Net Asset Value (NAV) per unit as at December 31, 2024 was Rs. 172.2095 as compared to opening NAV of Rs. 119.7708 per unit as at June 30, 2024 registering an increase of 52.4387 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 3.1% and 3.0%, respectively, driven by a gradual recovery in demand and the base effect. However, agricultural growth is likely to remain modest at 2.2%, constrained by the high base effect and flood-related damage to the cotton crop.

The continuation of the 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 13.5bn by year end on the back of flows from friendly countries, IMF and multilateral agencies. Pakistan is on track to record the first annual surplus since FY11 on the back of rebound in exports and remittances along with controlled imports. We expect a current account surplus of USD 2.1bn (0.5% of GDP) in FY25 compared to deficit of USD 681mn (0.2% of GDP) in FY24. We are of the view that improvement in exports and remittances and increased comfort on the external will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close June 25 around 280.8.

The inflation reading has come down sharply mainly due to base effect and stable currency. The headline inflation number in December 2024 clocked in at 4.1% compared to a high of 38.0% in May 2023. This was the lowest reading in the last 80 months. The core inflation also remained on a declining trajectory, clocking at 9.2% (34 months low). We anticipate CPI to average around 6.1% in FY25 compared to 23.9% in FY24. The SBP has decreased interest rates by a cumulative 900bps since June-24 as interest rates have declined to 13.0% from a high of 22.0%. We believe after an interest rate cut of further 100bps, monetary policy committee may pause the easing cycle to evaluate the monetary transmission effect of the interest rate decline. In our base case, we have assumed the interest rate may remained anchored at 12.0% in near term. We do not rule out further rate cuts with lower than expected inflation along with a strong build up in Forex Reserves.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2024

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 13.3%, a discount of 28.4% from its historical average of 18.6%. 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 a forward Price to Earnings ratio of 6.9x, while offering a dividend yield of 8.2%. For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year.

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 68.1% during 1HFY25 to PKR 4,326bn. Total money market funds grew by about 45.8% since Jun-24. Within the money market sphere, conventional funds showed a growth of 85.9% to PKR 1,170bn while Islamic funds increased by 8.7% to PKR 738bn. In addition, the total fixed Income and Fixed Rate funds increased by about 96.5% since Jun-24 to PKR 1,889bn while Equity and related funds increased by 80.9% to PKR 462bn.

In terms of the segment share, Money Market funds were the leader with a share of around 44.1%, followed by Income and fixed return funds with 43.7% and Equity and Equity related funds having a share of 10.7% as at the end of December 2024.

Mutual Fund Industry Outlook

Money market funds should benefit from higher liquidity as they are ideal for investors with a short-term horizon and low risk profile. As economic recovery gains further traction and becomes more broad based, the interest in capital markets particularly equities will continue to remain strong. 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 HALF YEAR ENDED DECEMBER 31, 2024**

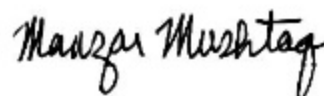
ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
February 04, 2025



Manzar Mushtaq
Director
February 04, 2025

ڈائریکٹرز رپورٹ

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے شکریہ ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

Maszar Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

31 دسمبر 2024ء کو فنڈ کے نیٹ اثاثہ شجاعت 1,761 ملین روپے تھے، جو 30 جون 2024ء کو 1,487 ملین روپے کے مقابلے میں 18.43 فیصد اضافہ ہے۔

31 دسمبر 2024ء کو فنڈ کی نیٹ اثاثہ جاتی قدر (NAV) فی یونٹ 155.6257 روپے تھی، جو 30 جون 2024ء کو ابتدائی (NAV) 112.0957 روپے فی یونٹ کے مقابلے میں 43.53 روپے فی یونٹ اضافہ ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر

پاکستان کی 'جی ڈی پی' میں مالی سال 2025ء میں 2.8 فیصد اضافے کا امکان ہے، جو گزشتہ سال کی سطح 2.5 فیصد کے بالمقابل ہے۔ صنعتی شعبے میں 3.1 فیصد اور خدمات کے شعبے میں 3.0 فیصد ترقی متوقع ہے جس کی وجہ مانگ اور بنیادی اثر کی بتدریج بحالی ہے۔ تاہم زراعتی ترقی کا 2.2 فیصد کے درمیانے درجے پر رہنے کا امکان ہے جس کے عوامل اعلیٰ بنیادی اثر کا محدود ہونا اور کپاس کی فصل کو سیلاب کے باعث نقصان ہیں۔

آئی ایم ایف پروگرام کا تسلسل کلیدی مثبت پہلو ہے کیونکہ اس کی بدولت ہم دوطرفہ اور کثیرالجہتی ذرائع سے رقم حاصل کر سکیں گے۔ 'ایس بی پی' کے ذخائر کا دوست ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بنیاد پر سال کے اختتام پر بڑھ کر 13.5 بلین ڈالر تک پہنچ جانے کا امکان ہے۔ پاکستان مالی سال 2011ء کے بعد پہلا سالانہ منافع ریکارڈ کرنے کی سمت میں رواں ہے، جس کے عوامل برآمدات اور ترسیلات میں بحالی بشمول درآمدات پر قابو ہیں۔ کرنٹ اکاؤنٹ میں مالی سال 2025ء میں 2.1 بلین ڈالر (جی ڈی پی کا 0.5 فیصد) منافع متوقع ہے، جو مالی سال 2024ء میں 681 ملین ڈالر (جی ڈی پی کا 0.2 فیصد) خسارے کے بالمقابل ہے۔ ہم سمجھتے ہیں کہ برآمدات اور ترسیلات میں بہتری اور خارجی جہت میں بڑھتے ہوئے اطمینان کی بدولت روپیہ مستقبل قریب میں مستحکم رہے گا۔ سال رواں میں روپے کی قدر میں معمولی کمی متوقع ہے اور ڈالر اور روپے کا تناسب جون 2025ء کے اختتام پر تقریباً 280.8 ہوگا۔

مہنگائی کی سطح میں تیزی سے کمی آئی ہے جس کے اہم ترین عوامل بنیادی اثر اور روپے میں استحکام ہیں۔ ہیڈ لائن مہنگائی دسمبر 2024ء میں 4.1 فیصد تک پہنچ گئی تھی، جو مئی 2023ء میں 38.0 فیصد کی بلند سطح کے بالمقابل ہے۔ یہ گزشتہ 80 ماہ کی کم ترین سطح ہے۔ بنیادی مہنگائی میں بھی کمی کارحاجان رہا جو 9.2 فیصد (34 ماہ کی کم ترین سطح) تک پہنچ گئی۔ 'سی پی آئی' کا اوسط مالی سال 2025ء میں متوقع طور پر تقریباً 6.1 فیصد ہوگا، جو مالی سال 2024ء میں 23.9 فیصد کے بالمقابل ہے۔ ایس بی پی نے سود کی شرحوں میں جون 2024ء سے اب تک مجموعی طور پر 900 بی پی ایس کمی کی ہے کیونکہ سود کی شرحیں 22.0 فیصد کی بلند سطح سے کم ہو کر 13.0

ایکویٹی مارکیٹ جائزہ

KSE-100 انڈیکس مالی سال کے نصف اول میں شاندار کارکردگی کا مظاہرہ کرتے ہوئے 116,169 پوائنٹس کی اب تک کی نئی بلند ترین سطح تک پہنچ گیا۔ اس کامیابی کے متعدد عوامل تھے، بشمول مہنگائی میں 80 ماہ کی کم ترین سطح تک کمی، اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی طرف سے شرح سود میں 900 بی پی ایس کی کمی۔ مزید برآں، آئی ایم ایف بورڈ کی 7 بلین ڈالر کی ایکسٹینڈڈ فنڈ فیسلٹی (ای ایف ایف) کی منظوری کی بدولت خارجی محاذ پر صورتحال واضح ہوئی اور سرمایہ کاروں کے اعتماد کو تقویت حاصل ہوئی۔ علاوہ ازیں، دوست ممالک سے غیر ملکی کرنسی کے ذخائر کی منتقلی اور مسلسل ماہانہ کرنٹ اکاؤنٹ منافع کی بدولت بڑھاؤ کو مزید فروغ حاصل ہوا۔ دسمبر 2024ء میں مارکیٹ میں کچھ عدم استحکام دیکھا گیا جس کے باعث انڈیکس 115,126 پوائنٹس پر پہنچ گیا، جو 36,682 پوائنٹس یعنی 46.8 فیصد اضافہ ہے۔

مالی سال 2025ء کے نصف اول کے دوران غیر ملکی سرمایہ کار میٹ فروخت کنندگان تھے جن کے ذریعے 186.8 ملین ڈالر کا اخراج ہوا۔ اتنے بڑے حجم میں فروخت کی وجہ ایف ٹی ایس ای میں دوبارہ توازن پیدا کرنے سے متعلق اخراج تھی کیونکہ پاکستان کی درجہ بندی کو سیکنڈری ایمرجنگ سے تبدیل کر کے 'فسونیشور مارکیٹ' کر دیا گیا۔ اس فروخت کے خریدار زیادہ تر میوچل فنڈز، کارپوریشن اور افراد تھے جن کے ذریعے بالترتیب 182.7 ملین ڈالر، 26.7 ملین ڈالر اور 26.3 ملین ڈالر کی آمدات ہوئیں۔

سرگرمیوں کے محاذ پر KSE-ALL انڈیکس 54.8 فیصد بڑھ کر 686.3 ملین حصص ہو گیا، جو گزشتہ نصف سال میں تقریباً 443.3 ملین حصص کے بالمقابل ہے۔ اوسط تجارتی قدر دوران مدت گزشتہ نصف سے 65.6 فیصد بڑھ کر تقریباً 99 ملین ڈالر ہو گئی۔

ای اینڈ پی، کھاد اور بینکاری کے شعبوں نے انڈیکس میں سب سے زیادہ حصہ ڈالا جو بالترتیب 8,280/7، 798/7 اور 227 پوائنٹس کا اضافہ تھا۔ ڈیویڈنڈ سے ہونے والے پُرکشش منافع اور مالیاتی تسہیل نے بینکاری اور کھاد کے شعبوں میں سرمایہ کاروں کی دلچسپی مبذول کرائی۔ ای اینڈ پی شعبہ بھی منظر عام پر رہا جس کے عوامل MARI کی جانب سے 800 فیصد بونس پوائنٹس کا غیر متوقع اعلان اور گردش قرض سے منسلک کمپنیوں کی نقدیت کی صورتحال میں بہتری ہیں۔ دوسری جانب، بجلی کے شعبے نے منفی 404 پوائنٹس کا حصہ ڈالا کیونکہ حکومت نے بجلی کے آزاد پیدا کاروں (آئی پی پی) کے ساتھ معاہدوں میں ترمیم کر دی ہے یا ان کو ختم کر دیا ہے۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 38.83 فیصد منافع حاصل کیا جو بینچمارک ریٹرن 40.15 فیصد کے بالمقابل ہے۔ ایکویٹیز کے محاذ پر مجموعی اختصاص 87.7 فیصد تھا۔ فنڈ کی زیادہ تر سرمایہ کاری سیمنٹ، کمرشل بینکوں، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔ بقیہ فنڈ کی سرمایہ کاری نقد میں تھی جو 11.9 فیصد بنتی ہے۔

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ایسیٹ الیوکیٹیشن فنڈ کے اکاؤنٹس کا جائزہ برائے نصف سال مختتمہ 31 دسمبر 2024ء پیش خدمت ہے۔

معیشت کا جائزہ

مالی سال کا آغاز مثبت انداز میں ہوا کیونکہ حکومت نے آئی ایم ایف سے 37 ماہ پر مبنی ایکسٹینڈڈ فنڈ فسیلیٹی (ای ایف ایف) کے لیے اسٹاف-لیول معاہدہ کر لیا جس کی مالیت تقریباً 7.0 بلین ڈالر ہے۔ پاکستان کے تمام مطلوبہ شرائط پوری کرنے کے بعد آئی ایم ایف ایگزیکٹو بورڈ نے 27 ستمبر 2024ء کو پروگرام کی منظوری دی۔ بعد ازاں، اسٹیٹ بینک آف پاکستان (ایس بی پی) کو 1.0 بلین ڈالر کی پہلی قسط موصول ہوئی جس کی بدولت غیر ملکی زرمبادلہ کے ذخائر پروان چڑھے اور روپے کو سہارا ملا، جیسا کہ مالی سال کے نصف اول کے دوران روپے اور ڈالر کے مابین تناسب سے ظاہر ہے جو تقریباً 278.5 روپے کی سطح پر مستحکم رہا۔

مالی سال 2025ء کے نصف اول (ابتدائی چھ ماہ) میں ملک کا کرنٹ اکاؤنٹ 1.2 بلین روپے منافع میں رہا، جو گزشتہ سال مماثل مدت میں 1.4 بلین ڈالر خسارے کے بالمقابل ہے۔ کرنٹ اکاؤنٹ کی بہتری میں سب سے بڑا حصہ ترسیلات کا ہے جو تیزی سے 32.8 فیصد بڑھ کر 4.4 بلین ڈالر تک پہنچ گئیں۔ تجارتی خسارہ 12.6 فیصد سال در سال (YoY) بڑھ گیا کیونکہ برآمدات میں 7.2 فیصد اضافہ ہوا جبکہ درآمدات گزشتہ پست سطح سے 9.3 فیصد بڑھ گئیں۔ ملک کی خارجی صورتحال میں بہتری آئی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر بڑھ کر دسمبر 2024ء کے اختتام تک 11.7 بلین ڈالر تک پہنچ گئے، جو گزشتہ مالی سال کے اختتام پر 9.4 بلین ڈالر کے بالمقابل تھے، جس کے عوامل کرنٹ اکاؤنٹ میں منافع اور آئی ایم ایف اور کثیرالجہتی ذرائع سے آمدات ہیں۔

ہیڈ لائن مہنگائی، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط مالی سال 2025ء کے نصف اول میں 7.3 فیصد تھا، جو گزشتہ سال مماثل مدت میں 28.8 کے بالمقابل ہے۔ تیزی سے ہونے والی اس کمی کی وجہ گزشتہ ایک سال کے دوران روپے میں استحکام ہے جس کے نتیجے میں اشیائے خورد و نوش اور توانائی کی قیمتیں مستحکم ہوئیں۔ مزید برآں، گندم کی قیمتوں اور سالانہ گزشتہ کی سطح کے سال رواں پر اثر میں بھرپور کمی نے مہنگائی کم کرنے میں مزید کردار ادا کیا۔

ملک کے 'جی ڈی پی' میں مالی سال 2024-25ء کی پہلی سہ ماہی میں 0.9 فیصد ترقی ہوئی، جو گزشتہ سال مماثل مدت میں 2.3 فیصد کے بالمقابل ہے۔ زراعت میں 1.2 فیصد ترقی اور خدمات کے شعبے میں 1.4 فیصد ترقی ہوئی، جبکہ صنعتی شعبے میں 1.0 فیصد تسنؤل ہوا۔ صنعتی پیداوار میں کمی کے سب سے بڑے عوامل سود کی اب تک کی بلند ترین شرحیں اور سیاسی عدم یقینی تھے۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی مالی سال 2025ء کے نصف اول میں 25.9 فیصد بڑھ کر 5,623 بلین روپے ہو گئی، جو ہدف سے 386 بلین روپے کم ہے۔ اس کمی کے بڑے عوامل درآمدات سے حاصل ہونے والے ٹیکس میں کمی بوجہ سست رفتار تجارت، ترقی کی سست روی اور مہنگائی میں کمی ہیں۔

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN ASSET ALLOCATION FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Asset Allocation 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 six months period ended December 31, 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: February 21, 2025



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



A.F. FERGUSON & Co.

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Asset Allocation Fund** (the Fund) as at December 31, 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2024. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: **Junaid Mesia**
Dated: February 27, 2025
Karachi
UDIN: RR202410611F6i17mq9k

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2024

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
ASSETS			
Balances with banks	4	168,596	88,809
Investments	5	627,777	611,865
Advances, deposits and other receivables	6	12,408	9,677
Receivable against sale of investments		-	8,221
Total assets		808,781	718,572
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	7	3,773	2,522
Payable to Central Depository Company of Pakistan Limited - Trustee	8	147	124
Payable to the Securities and Exchange Commission of Pakistan	9	61	52
Payable against redemption of units		32	31
Payable against purchase of investments		-	7,016
Accrued expenses and other liabilities	10	38,987	36,899
Total liabilities		43,000	46,644
NET ASSETS		765,781	671,928
Unit holders' fund (as per statement attached)		765,781	671,928
Contingencies and commitments	11		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		4,446,799	5,610,114
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		172.2095	119.7708

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

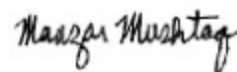
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half year ended December 31,		Quarter ended December 31,	
		2024	2023	2024	2023
----- (Rupees in '000) -----					
INCOME					
Net realised gain on sale of investments		124,238	76,858	133,153	64,042
Loss on government securities		-	(418)	-	(2,653)
Dividend income		34,706	27,042	12,092	14,055
Profit on savings accounts with banks		8,708	7,263	4,337	4,430
Net unrealised appreciation in fair value of investments classified as financial assets at 'fair value through profit or loss'	5.2	82,571	147,376	72,281	116,890
Other income		85	2,682	32	2,630
Total income		250,308	260,803	221,895	199,394
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	7.1	9,904	10,167	4,452	4,794
Sindh Sales Tax on remuneration of the Management Company	7.2	1,486	1,322	668	624
Allocated expenses	7.3	-	265	-	102
Selling and marketing expenses	7.4	-	404	-	404
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	656	635	343	309
Sindh Sales Tax on remuneration of Trustee	8.2	98	83	51	40
Fee to the Securities and Exchange Commission of Pakistan	9.1	312	301	163	147
Brokerage expenses		3,119	1,492	2,332	674
Legal and professional charges		102	94	102	94
Auditors' remuneration		637	511	378	264
Other expenses		621	640	505	519
Total expenses		16,935	15,914	8,994	7,971
Net income for the period before taxation		233,373	244,889	212,901	191,423
Taxation	12	-	-	-	-
Net income for the period after taxation		233,373	244,889	212,901	191,423
Allocation of net income for the period					
Net income for the period after taxation		233,373	244,889		
Income already paid on units redeemed		(38,724)	(35,296)		
		194,649	209,593		
Accounting income available for distribution					
- Relating to capital gains		170,126	193,321		
- Excluding capital gains		24,523	16,272		
		194,649	209,593		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

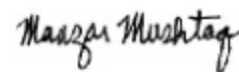
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	Half year ended December 31,		Quarter ended December 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	233,373	244,889	212,901	191,423
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>233,373</u>	<u>244,889</u>	<u>212,901</u>	<u>191,423</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

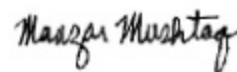
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended December 31, 2024			Half year ended December 31, 2023		
	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	1,653,021	(981,093)	671,928	1,799,783	(1,189,133)	610,650
Issuance of 4,368,937 units (2023: 244,563 units)						
- Capital value (at net asset value per unit at the beginning of the period)	523,271	-	523,271	18,732	-	18,732
- Element of income	185,484	-	185,484	7,686	-	7,686
	708,755	-	708,755	26,418	-	26,418
Redemption of 5,532,252 units (2023: 2,659,210 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(662,602)	-	(662,602)	(203,676)	-	(203,676)
- Element of loss	(146,949)	(38,724)	(185,673)	(4,000)	(35,296)	(39,296)
	(809,551)	(38,724)	(848,275)	(207,676)	(35,296)	(242,972)
Total comprehensive income for the period	-	233,373	233,373	-	244,889	244,889
Net assets at the end of the period (unaudited)	<u>1,552,225</u>	<u>(786,444)</u>	<u>765,781</u>	<u>1,618,525</u>	<u>(979,540)</u>	<u>638,985</u>
Accumulated loss brought forward						
- Realised loss		(1,139,274)			(1,170,235)	
- Unrealised income / (loss)		158,181			(18,898)	
		(981,093)			(1,189,133)	
Accounting income available for distribution						
- Relating to capital gains	170,126			193,321		
- Excluding capital gains	24,523			16,272		
	194,649			209,593		
Accumulated loss carried forward		<u>(786,444)</u>			<u>(979,540)</u>	
Accumulated loss carried forward						
- Realised loss		(869,015)			(1,126,916)	
- Unrealised income		82,571			147,376	
		<u>(786,444)</u>			<u>(979,540)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period	<u>119.7708</u>			<u>76.5925</u>		
Net asset value per unit at the end of the period	<u>172.2095</u>			<u>114.9654</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

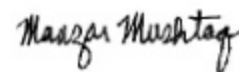
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	Half year ended December 31,	
		2024	2023
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		233,373	244,889
Adjustments for non cash and other items:			
Net unrealised appreciation in fair value of investments classified as 'financial assets at fair value through profit or loss'	5.2	(82,571)	(147,376)
Dividend income		(34,706)	(27,042)
		116,096	70,471
Decrease in assets			
Investments - net		66,659	72,584
Receivable against sale of investments		8,221	213
Advances, deposits and other receivables		(1,965)	236
		72,915	73,033
Decrease in liabilities			
Payable to MCB Investment Management Limited - Management Company		1,251	381
Payable to Central Depository Company of Pakistan Limited - Trustee		23	12
Payable to the Securities and Exchange Commission of Pakistan		9	(92)
Payable against purchase of investments		(7,016)	(16,743)
Accrued expenses and other liabilities		2,088	(138)
		(3,645)	(16,580)
Dividend received		33,941	26,085
		219,307	153,009
Net cash generated from operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		708,755	26,418
Payments against redemption and conversion of units		(848,275)	(242,972)
Net cash used in financing activities		(139,520)	(216,554)
Net increase / (decrease) in cash and cash equivalents during the period		79,787	(63,545)
Cash and cash equivalents at the beginning of the period		88,809	155,195
Cash and cash equivalents at the end of the period	4	168,596	91,650

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

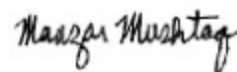
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Asset Allocation Fund (the Fund) was established through a Trust Deed executed between MCB Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated November 12, 2007 consequent to which Trust Deed was executed on November 22, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was registered under the Sindh Trust Act on August 12, 2021.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investments in securities or instruments both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as an "Asset Allocation" scheme by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 04, 2024 (June 30, 2024: 'AM1' dated October 6, 2023) to the Management Company. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34 'Interim Financial Reporting', the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are limited, based on the requirements of IAS 34 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2024.

3 MATERIAL ACCOUNTING POLICY INFORMATION, SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The material 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.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements of the Fund as at and for the year ended June 30, 2024.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2024.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statement except for:

- The new standard - IFRS 18 Presentation and Disclosure in the Financial statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
4 BALANCES WITH BANKS		— (Rupees in '000) —	
- In savings accounts	4.1	163,132	83,663
- In current accounts	4.2	5,464	5,146
		<u>168,596</u>	<u>88,809</u>

4.1 These carry profit at the rate of 11.50% (June 30, 2024: 19.00% to 20.50%) per annum and include Rs. 0.013 million (June 30, 2024: Rs. 0.012 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 11.50% (June 30, 2024: 20.50%) per annum.

4.2 These include a balance of Rs. 5.45 million (June 30, 2024: Rs. 5.14 million) maintained with MCB Bank Limited (a related party).

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
5 INVESTMENTS		— (Rupees in '000) —	
5.1 Investments 'at fair value through profit or loss'			
Listed equity securities - ordinary shares	5.1.1	612,673	589,245
Listed equity securities - preference shares	5.1.2	15,104	22,620
		<u>627,777</u>	<u>611,865</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

5.1.1 Listed equity securities - ordinary shares

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

Name of the investee company	Number of shares					Balance as at December 31, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 1, 2024	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investment	
	(Number of shares)					(Rupees in '000)			(%)		
Automobile assembler											
Sazgar Engineering Works Limited	-	11,000	-	-	11,000	12,099	12,302	203	1.61	1.96	0.02
						12,099	12,302	203	1.61	1.96	
Automobile Parts and Accessories											
Agriauto Industries Limited**	92,625	-	-	38,500	54,125	5,553	5,883	330	0.77	0.94	0.15
Panther Tyres Limited	40,000	68,520	-	-	108,520	4,487	5,061	574	0.66	0.81	0.06
Exide Pakistan Limited	-	7,923	-	3,200	4,723	3,967	3,784	(183)	0.49	0.60	0.06
Thal Limited**	24,000	-	-	24,000	-	-	-	-	-	-	-
						14,007	14,728	721	1.92	2.35	
Cable and Electrical Goods											
Pak Elektron Limited	260,000	925,000	-	780,000	405,000	12,432	17,759	5,327	2.32	2.83	0.05
						12,432	17,759	5,327	2.32	2.83	
Cement											
D.G. Khan Cement Company Limited*	-	123,000	-	103,000	20,000	2,007	2,098	91	0.27	0.33	-
Pioneer Cement Limited	70,000	15,500	-	85,500	-	-	-	-	-	-	-
Lucky Cement Limited	57,400	20,500	-	47,608	30,292	30,151	33,336	3,185	4.35	5.31	0.01
Fauji Cement Company Limited (note 5.1.1.1)	990,000	1,196,930	-	1,616,930	570,000	17,160	20,851	3,691	2.72	3.32	0.02
Cherat Cement Company Limited	-	137,200	-	63,433	73,767	19,015	20,189	1,174	2.64	3.22	0.04
Gharbwal Cement limited	-	45,000	-	45,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 5.1.1.1)	688,000	-	-	688,000	-	-	-	-	-	-	-
						68,333	76,474	8,141	9.98	12.18	
Chemicals											
Archroma Pakistan Ltd	13,700	-	-	13,700	-	-	-	-	-	-	-
Lotte Chemical Pakistan Ltd	-	265,000	-	265,000	-	-	-	-	-	-	-
Ittehad Chemical Limited	25,500	186,182	-	143,752	67,930	3,605	5,089	1,484	0.66	0.81	-
Lucky Core Industries Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	30,000	61,000	-	57,000	34,000	4,376	4,896	520	0.64	0.78	0.10
						7,981	9,985	2,004	1.30	1.59	
Commercial Banks											
Meezan Bank Limited	110,500	93,280	-	100,500	103,280	24,347	24,991	644	3.26	3.98	0.01
Bank Alfalah Limited (note 5.1.1.1)	646,000	875,740	-	746,740	775,000	56,257	64,581	8,324	8.43	10.29	0.05
Habib Bank Limited	278,000	156,900	-	252,900	182,000	25,657	31,752	6,095	4.15	5.06	0.01
Habib Metropolitan Bank Limited	365,000	-	-	247,592	117,408	8,062	10,215	2,153	1.33	1.63	0.01
National Bank Limited	268,000	302,000	-	295,000	275,000	14,503	18,403	3,900	2.40	2.93	0.01
United Bank Limited (note 5.1.1.1)	89,000	65,500	-	105,500	49,000	15,959	18,729	2,770	2.45	2.98	-
						144,785	168,671	23,886	22.02	26.87	
Engineering											
Mughal Iron & Steel Industries Limited	-	443,000	-	208,000	235,000	18,982	18,824	(158)	2.46	3.00	0.07
						18,982	18,824	(158)	2.46	3.00	
Fertilizer											
Engro Fertilizers Limited	-	233,000	-	93,000	140,000	28,921	28,587	(334)	3.73	4.55	0.01
Fauji Fertilizer Company Limited	202,778	-	-	202,778	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	434,000	-	100,000	334,000	24,313	26,146	1,833	3.41	4.16	0.02
Fauji Fertilizer Bin Qasim Limited	200,000	-	-	200,000	-	-	-	-	-	-	-
						53,234	54,733	1,499	7.14	8.71	
Food & Personal Care Products											
National Foods Limited**	57,000	55,000	-	112,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited**	520,000	-	-	520,000	-	-	-	-	-	-	-
Ghani Glass Limited	-	160,000	-	80,000	80,000	2,382	2,592	210	0.34	0.41	0.03
						2,382	2,592	210	0.34	0.41	
Insurance											
Jubilee General Insurance Limited	-	125,000	-	50,000	75,000	3,680	4,311	631	0.56	0.69	0.04
						3,680	4,311	631	0.56	0.69	
Balance carried forward						337,915	380,379	42,464			

*These represent transaction in shares of related parties.

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Name of the investee company	Number of shares					Balance as at December 31, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 1, 2024	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investment	
	(Number of shares)					(Rupees in '000)			(%)		
Balance brought forward						337,915	380,379	42,464			
Miscellaneous											
Shifa International Hospitals Limited	-	25,000	-	15,000	10,000	2,471	3,964	1,493	0.52	0.63	0.02
Pakistan Hotels Developers Limited	-	16,000	-	16,000	-	-	-	-	-	-	-
						2,471	3,964	1,493	0.52	0.63	
Oil and Gas Exploration Companies											
Oil & Gas Development Company Limited	-	238,000	-	53,000	185,000	34,340	42,043	7,703	5.49	6.70	-
Pakistan Petroleum Limited	-	115,000	-	40,000	75,000	11,290	15,266	3,976	1.99	2.43	-
						45,630	57,309	11,679	7.48	9.13	
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited (note 5.1.1.1)	40,000	114,500	-	94,500	60,000	15,562	26,441	10,879	3.45	4.21	0.01
Attock Petroleum Limited	-	18,500	-	10,000	8,500	4,470	4,713	243	0.62	0.75	0.01
Sui Northern Gas Pipelines Limited	-	155,000	-	130,000	25,000	2,199	2,799	600	0.37	0.45	-
						22,231	33,953	11,722	4.44	5.41	
Paper And Board											
Synthetic Products Enterprises Limited**	73,000	-	-	73,000	-	-	-	-	-	-	-
Packages Limited	29,176	7,500	-	13,576	23,100	13,180	13,757	577	1.80	2.19	0.03
						13,180	13,757	577	1.80	2.19	
Pharmaceuticals											
Haleon Pakistan Limited	43,450	-	-	43,450	-	-	-	-	-	-	-
Highnoon Laboratories Limited	11,000	-	-	11,000	-	-	-	-	-	-	-
AGP Limited	124,500	48,000	-	140,500	32,000	3,670	5,443	1,773	0.71	0.87	0.01
Citi Pharma Limited	395,500	-	-	395,500	-	-	-	-	-	-	-
The Searle Company Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Abbott Laboratories (Pakistan) Limited	7,000	3,800	-	10,800	-	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited	45,000	75,050	-	101,550	18,500	2,701	7,343	4,642	0.96	1.17	0.01
Ferozsons Laboratories Limited	26,500	30,500	-	30,000	27,000	7,714	9,054	1,340	1.18	1.44	0.06
						14,085	21,840	7,755	2.85	3.48	
Power Generation and Distribution											
The Hub Power Company Limited (note 5.1.1.1)	133,000	115,000	-	248,000	-	-	-	-	-	-	-
Nishat Power Limited*	-	250,000	-	150,000	100,000	2,500	3,536	1,036	0.46	0.56	0.03
Nishat Chunian Power Limited	380,000	344,000	-	499,000	225,000	6,621	6,068	(553)	0.79	0.97	0.06
						9,121	9,604	483	1.25	1.53	
Refinery											
Attock Refinery Limited	10,000	38,000	-	48,000	-	-	-	-	-	-	-
						-	-	-	-	-	
Technology and Communication											
Systems Limited (note 5.1.1.1)	55,500	37,000	-	59,500	33,000	17,658	20,508	2,850	2.68	3.27	0.01
Pakistan Telecommunication Company Limited	-	665,000	-	500,000	165,000	3,824	4,500	676	0.59	0.72	-
						21,482	25,008	3,526	3.27	3.99	
Textile Composite											
Gul Ahmed Textile Mills Limited	460,424	925,000	-	860,424	525,000	13,080	13,288	208	1.74	2.12	0.07
Interloop Limited	350,962	465,000	-	570,962	245,000	17,265	16,836	(429)	2.20	2.68	0.02
Nishat Chunian Limited	565,000	635,999	-	753,999	447,000	15,307	15,683	376	2.05	2.50	0.19
						45,652	45,807	155	5.99	7.30	
Tobacco											
Pakistan Tobacco Company Limited	15,800	4,157	-	4,150	15,807	18,321	21,052	2,731	2.75	3.35	0.01
						18,321	21,052	2,731	2.75	3.35	
Total as at December 31, 2024						530,088	612,673	82,585			
Total as at June 30, 2024						429,684	589,245	159,561			

*These represent transaction in shares of related parties.

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

5.1.1.1 Investments include Nil shares (June 30, 2024: 12,000 shares) of The Hub Power Company Limited, 515,000 shares (June 30, 2024: Nil shares) of Bank Alfalah Limited having market value of Rs. 49.92 million as at December 31, 2024 (June 30, 2024: Rs. Nil million), Nil shares (June 30, 2024: 300,000 shares) of Maple Leaf Cement Factory Limited having market value of Rs. Nil million as at December 31, 2024 (June 30, 2024: Rs. 11.4 million), 30,000 shares (June 30, 2024: Nil shares) of Pakistan State Oil Company Limited having market value of Rs. 13.22 million as at December 31, 2024 (June 30, 2024: Rs. Nil million), 500,000 shares (June 30, 2024: 500,000) of Fauji Cement Company Limited having market value of Rs. 18.29 million as at December 31, 2024 (June 30, 2024: Rs. 11.46 million), 4,500 shares (June 30, 2024: 4,500) of Systems Limited having market value of Rs. 2.80 million as at December 31, 2024 (June 30, 2024: Rs. 1.88 million) and 29,000 shares (June 30, 2024: 95,000) of United Bank Limited having market value of Rs. 11.09 million as at December 31, 2024 (June 30, 2024: Rs. 24.34 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of security	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
	— (Number of shares) —		— (Rupees in '000) —	
The Hub Power Company Limited	-	12,000	-	1,957
Bank Alfalah Limited	515,000	-	42,915	-
Maple Leaf Cement Factory Limited	-	300,000	-	11,400
Pakistan State Oil Company Limited	30,000	-	13,221	-
Fauji Cement Company Limited	500,000	500,000	18,290	11,455
Systems Limited	4,500	4,500	2,797	1,882
United Bank Limited	29,000	95,000	11,085	24,343
	<u>1,078,500</u>	<u>911,500</u>	<u>88,308</u>	<u>51,037</u>

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

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

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

The Finance Act, 2018, effective from July 1, 2018, has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at December 31, 2024, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.86 million (June 30, 2024: Rs. 1.89 million).

5.1.2 Listed equity securities - Preference shares

Name of investee company	Number of shares					As at December 31, 2024			Market value as percentage of		Par value as percentage of issued capital of the investee company
	As at July 1, 2024	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised diminution	of		
									Net Assets of the Fund	Total market value of investments	
											</

These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on December 31, 2024 and June 30, 2024 have been considered.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----
5.2 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'			
Market value of investments	5.1.1 & 5.1.2	627,777	572,514
Less: Carrying value of investments	5.1.1 & 5.1.2	(545,206)	(425,138)
		<u>82,571</u>	<u>147,376</u>
		December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Dividend receivable		3,258	2,492
Profit receivable on savings accounts		3,838	1,645
Receivable from National Clearing Company of Pakistan Limited (NCCPL)		1,134	1,134
Other receivables		1,124	1,093
Security deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
- Central Depository Company of Pakistan Limited (CDC)		100	100
Advance tax	6.1	454	713
		<u>12,408</u>	<u>9,677</u>

- 6.1** As per Clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under sections 151 and 150 of the Income Tax Ordinance, 2001. However, withholding tax on profit on saving accounts with banks and payment dividend to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends, profit on saving accounts with banks and sale of shares amounted to Rs. 0.454 million (June 30, 2024: Rs. 0.713 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends received by the Fund, profit on savings accounts with banks and sale of shares has been shown as Advance tax, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
7 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	7.1	1,032	1,722
Sindh Sales Tax payable on remuneration of the Management Company	7.2	155	224
Allocated expenses payable	7.3	-	44
Selling and marketing expenses payable	7.4	-	532
Sales load payable		2,586	-
		<u>3,773</u>	<u>2,522</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3.48% (December 31, 2023: 2.95% to 3.40%) per annum of the average daily net assets of the Fund during the period ended December 31, 2024. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby the rate of sindh sales tax has increased from 13% to 15% per annum. Accordingly, during the period, an amount of Rs. 1.49 million (December 31, 2023: Rs. 1.32 million) has been charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 15% (June 30, 2024: 13%) and an amount of Rs. 1.56 million (December 31, 2023: Rs. 1.33 million) has been paid to the Management Company which acts as a collecting agent.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

- 7.3** 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 not charged such expenses during the current period.

- 7.4** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) subject to the condition that the expense charged remains within the Fund's total expense ratio limit, as defined under the NBFC Regulations and not being higher than the actual

The Management Company has not charged selling and marketing expenses during the current period.

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration payable	8.1	128	110
Sindh Sales Tax payable on trustee remuneration	8.2	19	14
		147	124

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

Average net assets value	Tariff per annum
- Up to Rs. 1,000 million	0.20% per annum of net assets
- Amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of net assets on amount exceeding Rs.1 billion.

- 8.2** The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby the rate of sindh sales tax has increased from 13% to 15% per annum. Accordingly, during the period, an amount of Rs. 0.08 million (December 31, 2023: Rs. 0.08 million) has been charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 15% (December 31, 2023: 13%) and an amount of Rs. 0.09 million (December 31, 2023: Rs. 0.08 million) was paid to the Trustee which acts as a

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee Payable	9.1	61	52

- 9.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged SECP fee at the rate of 0.095% (December 31, 2023: 0.095%) per annum of the daily net assets during the period.

The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) ----- (Rupees in '000) -----
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax payable on:			
- Remuneration of the Management Company	10.1	19,027	19,027
- Sales load		16,173	16,173
Withholding tax payable		843	603
Auditors' remuneration payable		518	760
Brokerage payable		2,207	152
Legal and professional charges payable		47	39
Printing and related charges payable		70	42
Other payables		102	103
		38,987	36,899

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 35.2 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2024 would have been higher by Rs. 7.92 per unit (June 30, 2024: Rs. 6.27 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2024 and June 30, 2024.

12 TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent 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 NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the period ended December 31, 2024 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the period.

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

13 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2024 is 5.16% (December 31, 2023: 5.01%) which includes 0.70% (December 31, 2023: 0.59%) representing government levies on the Fund such as sales taxes, fee to the SECP, etc. The prescribed limit for the ratio is 4.5% (December 31, 2023: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Asset Allocation" scheme.

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

- 14.1** 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.
- 14.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

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

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

14.5 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:

14.6 Details of transactions with the related parties / connected person are as follows:

December 31, December 31,
2024 2023
(Un-audited) (Un-audited)
----- (Rupees in '000) -----

MCB Investment Management Limited - Management Company

Remuneration of the Management Company (including indirect taxes)

11,390 11,489

Allocated expenses

- 265

Selling and marketing expenses

- 404

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee (including indirect taxes)

754 718

CDC settlement charges

70 67

Group / Associated Companies:

MCB Bank Limited

Profit on savings accounts with banks

1 1

Bank charges

3 3

D. G. Khan Cement Company Limited

Purchase of 123,000 shares (2023: 164,500)

12,342 9,258

Sale of 103,500 shares (2023: 597,500)

11,264 33,159

International Steel Limited

Purchase of Nil shares (2023: 182,782)

- 9,095

Sale of Nil shares (2023: 42,782)

- 3,251

Dividend income

- 429

Lalpir Power Limited

Purchase of Nil shares (2023: 60,000)

- 914

Nishat Power Limited

Purchase of shares 250,000 (2023:Nil)

6,250 -

Sale of shares 150,000 (2023:Nil)

5,469 -

Dividend Income

500 -

Nishat Mills Limited

Purchase of Nil shares (2023: 178,000)

- 11,832

Sale of Nil shares (2023: 100,000)

- 6,411

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

14.7 Balances outstanding at period / year end

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Management remuneration payable	1,032	1,722
Sindh Sales Tax payable on remuneration of the Management Company	155	224
Sales load payable	2,586	-
Payable against allocated expenses	-	44
Marketing and selling payable	-	532
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	128	110
Sindh Sales Tax on remuneration of Trustee	19	14
Security deposits	100	100
Group / associated companies:		
MCB Bank Limited		
Balances with banks	5,465	5,155
D.G. Khan Cement Company Limited		
Shares held 20,000 (June 30, 2024: Nil)	2,098	-
Nishat Power Limited		
Shares held 100,000 (June 2024: Nil)	3,536	-

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

	Half year ended December 31, 2024 (Un-audited)							
	As at July 1, 2024	Issued for cash	Redeemed	As at December 31, 2024	As at July 1, 2024	Issued for cash	Redeemed	As at December 31, 2024
	Units				(Rupees in '000)			
Associated companies / undertakings								
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	2,862,876	-	1,846,597	1,016,279	342,889	-	250,000	175,013
Mandate Under Discretionary Portfolio Services	277,010	4,069	52,126	228,953	33,178	14,437	7,700	39,428

	Half year ended December 31, 2023 (Un-audited)							
	As at July 1, 2023	Issued for cash	Redeemed	As at December 31, 2023	As at July 1, 2023	Issued for cash	Redeemed	As at December 31, 2023
	Units				(Rupees in '000)			
Associated companies / undertakings								
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	3,878,276	-	945,432	2,932,844	464,504	-	85,000	337,176
D.G. Khan Cement Company Limited Employees Provident Fund Trust	35,272	-	35,272	-	4,225	-	3,039	-
Mandate Under Discretionary Portfolio Services	287,748	-	10,738	277,010	22,039	-	1,120	31,847

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradeable in an open market are revalued at 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

15.1 Fair value hierarchy

International Financial Reporting Standard IFRS 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 assets or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2024 and June 30, 2024, the Fund held the following financial instruments measured at fair value.

December 31, 2024				
Unaudited				
ASSETS	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'				
Listed equity securities - Ordinary Shares	612,673	-	-	612,673
Listed equity securities - Preference Shares	15,104	-	-	15,104
	<u>627,777</u>	<u>-</u>	<u>-</u>	<u>627,777</u>

June 30, 2024				
Audited				
ASSETS	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'				
Listed equity securities - Ordinary Shares	589,245	-	-	589,245
Listed equity securities - Preference Shares	22,620	-	-	22,620
	<u>611,865</u>	<u>-</u>	<u>-</u>	<u>611,865</u>

During the period ended December 31, 2024 and 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.

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 04, 2025 by the Board of Directors of the Management Company.

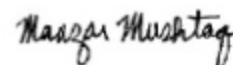
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

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