



MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **MCB PAKISTAN STOCK 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 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
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<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 Bank Al Habib Limited Allied Bank Limited Habib Metropolitan Bank Limited	Standard Chartered Bank Limited United Bank Limited National Bank Of Pakistan
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar 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 HALF YEAR ENDED DECEMBER 31, 2024**

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Stock Market 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**

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### **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**

During the period, PSM generated a return of 50.93% as compared to a return of 46.76% witnessed by the KSE-100 Index. Overall equity exposure stood at 91.3% on December 31, 2024. The fund remained vigilant of the external factors and the investment strategy was maneuvered

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

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considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cements, Fertilizers and textile companies.

The Net Assets of the fund as at December 31, 2024 stood at Rs. 16,211 million as compared to Rs. 7,216 million as at June 30, 2024 registering an increase of 124.6%.

The Net Asset Value (NAV) per unit as at December 31, 2024 was Rs. 227.8213 as compared to opening NAV of Rs. 150.9441 per unit as at June 30, 2024 registering an increase of 76.8772 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

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

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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.

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%.

### **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

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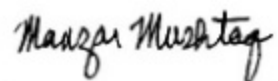
### ACKNOWLEDGMENT

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

On behalf of Directors,



**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، سیکورٹیز 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

*Maaz Mushtaq*

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

فیصد ہو گئے ہیں۔ ہم سمجھتے ہیں کہ شرح سود میں مزید 100 بی پی ایس کی کمی کے بعد مانیٹری پالیسی کمیٹی اس کمی کی مالیاتی منتقلی کے اثر کو جانچنے کے لیے تسہیل کے چکر کو کچھ عرصے کے لیے روک سکتی ہے۔ ہمارے base کے معاملے میں ہم فرض کر رہے ہیں کہ شرح سود مستقبل قریب میں 12.0 فیصد پر چھکی رہے گی، تاہم متوقع سے کم مہنگائی اور زرمبادلہ کے ذخائر میں بھرپور بڑھوتری کے ساتھ شرح سود میں مزید کمی خارج از امکان نہیں ہے۔

کیپٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر مارکیٹ میں تاحال سستے تخمینوں پر تجارت ہو رہی ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب 13.3 فیصد ہے، جو اس کے پرانے اوسط 18.6 فیصد سے 28.4 فیصد کی ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا خوردبینی منظر اہمیت کا حامل رہے گا، اور سرمایہ کاری کے انتخاب کے معاملے میں ایسی کمپنیوں پر توجہ مرکوز کرنی چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں لاگت کا آمدنی کے ساتھ تناسب 6.9 گنا چل رہا ہے، جبکہ ڈیویڈنڈ سے ہونے والا منافع 8.2 فیصد ہے۔

#### میوچل فنڈ صنعت کا جائزہ

اپن-اینڈ میوچل فنڈز صنعت کے نیٹ اثاثہ جات مالی سال 2025ء کے نصف اول کے دوران تقریباً 68.1 فیصد بڑھ کر 4,326 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز میں جون 2024ء کے بعد مجموعی طور پر تقریباً 45.8 فیصد ترقی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 85.9 فیصد بڑھ کر 1.170 بلین روپے ہو گئے جبکہ اسلامک فنڈز 8.7 فیصد بڑھ کر 738 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے مجموعی طور پر تقریباً 96.5 فیصد بڑھ کر 1,889 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 80.9 فیصد بڑھ کر 462 بلین روپے ہو گئے۔

زمرہ جاتی تقسیم کے اعتبار سے دسمبر 2024ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 44.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ انکم اور فیکسڈ ریٹ فنڈز 43.7 فیصد، اور ایکویٹی اور اس سے متعلقہ فنڈز 10.7 فیصد حصے کے ساتھ دوسرے اور تیسرے نمبر پر رہے۔

#### میوچل فنڈ صنعت کے مستقبل کا منظر

منی مارکیٹ فنڈز کو بہتر نقدیت سے فائدہ اٹھانا چاہیے کیونکہ یہ فنڈز ایسے سرمایہ کاروں کے لیے موزوں ترین ہوتے ہیں جو مختصر مدت کے لیے اور خسارے کے کم خطرے کے ساتھ سرمایہ کاری کرنا چاہتے ہیں۔ معاشی بحالی کے مزید تیز اور وسیع ہونے کے ساتھ کپیٹل مارکیٹوں، خصوصاً ایکویٹیز، میں بھرپور دلچسپی کا سلسلہ جاری رہے گا۔ ہمارے کام کاج بلا رکاوٹ چلتے رہے، اور ڈیجیٹل رسائی اور صارفین کو آن لائن خدمات کی فراہمی میں مسابقتی فائدہ حاصل ہونے کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے فائدہ اٹھانے کے لیے کمر بستہ ہیں۔

کو مد نظر رکھتے ہوئے سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں، سیمنٹ، کھاد اور ٹیکسٹائل کے شعبوں میں تھی۔

31 دسمبر 2024ء کو فنڈ کے نیٹ اثاثہ جات 16,211 ملین روپے تھے، جو 30 جون 2024ء کو 7,216 ملین روپے کے مقابلے میں 124.6 فیصد اضافہ ہے۔

31 دسمبر 2024ء کو فنڈ کی نیٹ اثاثہ جاتی قدر (NAV) فی یونٹ 227.8213 روپے تھی، جو 30 جون 2024ء کو ابتدائی (NAV) 150.9441 روپے فی یونٹ کے مقابلے میں 76.8772 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 دو طرفہ 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 کارہجان 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 فیسلسٹی (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 ریٹ 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 ایر جنگ سے تبدیل کر کے 'فسوفیشیو مارکیٹ' کر دیا گیا۔ اس فروخت کے خریدار زیادہ تر میوچل فنڈز، کارپوریٹس 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 مہذب و 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 کردی ہے یا ان کو ختم کر دیا ہے۔

## فنڈ کی کارکردگی

دوران مدت پی ایس ایم نے 50.93 فیصد منافع حاصل کیا، جو KSE-100 انڈیکس کے 46.76 فیصد منافع کے بالمقابل ہے۔

31 دسمبر 2024ء کو ایکویٹی میں مجموعی سرمایہ کاری 91.3 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے چوکتارہا اور بنیادی تبدیلیوں

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ 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 زیر مبادلہ 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 Shahra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcPakistan.com  
Email: info@cdcpak.com



### TRUSTEE REPORT TO THE UNIT HOLDERS

#### MCB PAKISTAN STOCK MARKET FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Stock Market Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the 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 **MCB Pakistan Stock Market 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: RR2024106116rZo3J1K8

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

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Balances with banks	4	1,415,723	319,017
Investments	5	15,397,553	6,975,458
Receivable against sale of investments		14,277	62,761
Advances, deposits and other receivables	6	32,348	26,157
<b>Total assets</b>		16,859,901	7,383,393
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	7	60,485	26,421
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1,619	741
Payable to the Securities and Exchange Commission of Pakistan	9	1,257	546
Payable against purchase of investments		454,674	43,796
Accrued expenses and other liabilities	10	130,583	96,195
<b>Total liabilities</b>		649,004	167,699
<b>NET ASSETS</b>		<u>16,210,897</u>	<u>7,215,694</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>16,210,897</u>	<u>7,215,694</u>
<b>Contingencies and commitments</b>	11		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<u>71,156,197</u>	<u>47,803,766</u>
----- (Rupees) -----			
<b>NET ASSET VALUE PER UNIT</b>		<u>227.8213</u>	<u>150.9441</u>

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

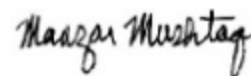
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM 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)					
<b>INCOME</b>					
Profit on savings accounts with banks		42,938	14,012	28,064	8,486
Dividend income		342,809	186,543	236,062	98,117
Net realised gain on sale of investments		1,985,523	1,189,023	1,785,259	962,610
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	2,636,804	1,020,665	2,459,623	792,212
Other income		237	213	109	87
<b>Total income</b>		<b>5,008,311</b>	<b>2,410,456</b>	<b>4,509,117</b>	<b>1,861,512</b>
<b>EXPENSES</b>					
Remuneration of MCB Investment Management Limited - Management Company	7.1	177,496	65,726	114,802	41,772
Sindh Sales Tax on remuneration of the Management Company	7.2	26,624	8,544	17,220	5,430
Allocated expenses	7.3	-	3,254	-	962
Selling and marketing expenses	7.4	-	17,303	-	3,789
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8	5,605	3,028	3,551	1,605
Sindh Sales Tax on remuneration of the Trustee		841	394	533	209
Fee to the Securities and Exchange Commission of Pakistan	9	4,845	2,399	3,134	1,286
Auditors' remuneration		762	702	424	398
Securities and transaction cost		43,323	20,121	32,306	13,957
Settlement and bank charges		2,188	1,287	1,446	577
Legal and professional charges		99	91	15	14
Printing and related charges		36	50	11	25
<b>Total expenses</b>		<b>261,819</b>	<b>122,899</b>	<b>173,442</b>	<b>70,024</b>
<b>Net income for the period before taxation</b>		<b>4,746,492</b>	<b>2,287,557</b>	<b>4,335,675</b>	<b>1,791,488</b>
Taxation	12	-	-	-	-
<b>Net income for the period</b>		<b>4,746,492</b>	<b>2,287,557</b>	<b>4,335,675</b>	<b>1,791,488</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		4,746,492	2,287,557		
Income already paid on units redeemed		(956,317)	(283,515)		
		<b>3,790,175</b>	<b>2,004,042</b>		
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		3,693,550	1,936,403		
- Excluding capital gains		96,625	67,639		
		<b>3,790,175</b>	<b>2,004,042</b>		

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

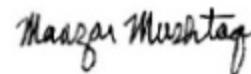
For MCB Investment Management Limited  
(Management Company)



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)			
<b>Net income for the period</b>	4,746,492	2,287,557	4,335,675	1,791,488
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>4,746,492</u>	<u>2,287,557</u>	<u>4,335,675</u>	<u>1,791,488</u>

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

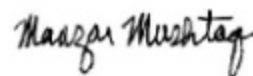
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' 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	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)						
<b>Net assets at the beginning of the period (audited)</b>	1,791,649	5,424,045	7,215,694	1,704,302	3,116,425	4,820,727
Issuance of 86,027,174 (2023: 17,432,952) units:						
- Capital value (at ex-net asset value per unit at the beginning of the period)	12,985,294	-	12,985,294	1,469,037	-	1,469,037
- Element of income	3,467,150	-	3,467,150	533,001	-	533,001
<b>Total proceeds on issuance of units</b>	16,452,445	-	16,452,445	2,002,038	-	2,002,038
Redemption of 62,674,743 (2023: 29,804,590) units:						
- Capital value (at ex-net asset value per unit at beginning of the period)	(9,460,383)	-	(9,460,383)	(2,511,567)	-	(2,511,567)
- Element of loss	(1,787,034)	(956,317)	(2,743,351)	(366,981)	(283,515)	(650,496)
<b>Total payments on redemption of units</b>	(11,247,416)	(956,317)	(12,203,733)	(2,878,548)	(283,515)	(3,162,063)
Total comprehensive income for the period	-	4,746,492	4,746,492	-	2,287,557	2,287,557
<b>Net assets at the end of the period (unaudited)</b>	6,996,677	9,214,220	16,210,897	827,792	5,120,467	5,948,259
<b>Undistributed income brought forward</b>						
- Realised income	4,217,258			3,539,084		
- Unrealised income / (loss)	1,206,787			(422,659)		
	5,424,045			3,116,425		
<b>Accounting income available for distribution</b>						
- Relating to capital gains	3,693,550			1,936,403		
- Excluding capital gains	96,625			67,639		
	3,790,175			2,004,042		
Undistributed income carried forward	9,214,220			5,120,467		
<b>Undistributed income carried forward</b>						
- Realised income	6,577,416			4,099,802		
- Unrealised income	2,636,804			1,020,665		
	9,214,220			5,120,467		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	150.9441			84.2678		
Net asset value per unit at the end of the period	227.8213			132.6683		

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

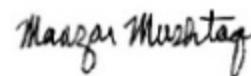
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

	Note	Half year ended December 31,	
		2024	2023
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		4,746,492	2,287,557
<b>Adjustments for:</b>			
Dividend income		(342,809)	(186,543)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	(2,636,804)	(1,020,665)
		<u>1,766,879</u>	<u>1,080,349</u>
<b>Increase in assets</b>			
Investments - net		(5,785,291)	(195,358)
Receivable against sale of investments		48,484	(38,449)
Advances, deposits and other receivables		(6,191)	(2,197)
		<u>(5,742,998)</u>	<u>(236,004)</u>
<b>Increase in liabilities</b>			
Payable to MCB Investment Management Limited - Management Company		34,064	(4,535)
Payable to Central Depository Company of Pakistan Limited - Trustee		878	142
Payable to the Securities and Exchange Commission of Pakistan		711	(890)
Payable against purchase of investments		410,878	57,761
Accrued expenses and other liabilities		34,774	10,296
		<u>481,305</u>	<u>62,774</u>
Dividend received		<u>342,809</u>	<u>184,416</u>
<b>Net cash (used in) / generated from operating activities</b>		<u>(3,152,005)</u>	<u>1,091,535</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		16,452,445	2,002,038
Payments against redemption and conversion of units		(12,203,733)	(3,162,063)
<b>Net cash generated from / (used in) financing activities</b>		<u>4,248,711</u>	<u>(1,160,025)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		<u>1,096,706</u>	<u>(68,490)</u>
Cash and cash equivalents at the beginning of the period		319,017	304,260
<b>Cash and cash equivalents at the end of the period</b>	4	<u>1,415,723</u>	<u>235,770</u>

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

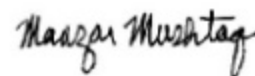
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# 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 Stock Market Fund (the Fund) was established through a Trust Deed executed between MCB Investment Management Limited, as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed of the Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated August 15, 2001 consequent to which Trust Deed was executed on October 23, 2001 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was registered under the Sindh Trust Act on August 12, 2021.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open end mutual Fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to invest in listed equity securities and the Fund can also invest in cash instruments and treasury bills not exceeding 90 days in maturity. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund has been categorised as "equity scheme" by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by SECP.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 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 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 does 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, SIGNIFICANTS 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 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 are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2024.

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 material impact on the Fund's financial statements 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)
		----- (Rupees in '000) -----	
<b>4 BALANCES WITH BANKS</b>			
- In current accounts	4.1	95,435	11,795
- In saving accounts	4.2	1,320,288	307,222
		<u>1,415,723</u>	<u>319,017</u>

4.1 These include balances held with related party of Rs. 85.99 million (June 30, 2024: Rs. 2.35 million) with MCB Bank

4.2 These carry profits at the rate of 11.50% (June 30, 2024: 19.00% to 20.50%) per annum and include Rs. 431.59 million (June 30, 2024: Rs. 238.81 million) maintained with MCB Bank Limited, a related party.

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
<b>5 INVESTMENTS</b>			
<b>5.1 Investments - 'at fair value through profit or loss'</b>			
Listed equity securities	5.1.1	15,397,553	6,975,458
		<u>15,397,553</u>	<u>6,975,458</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

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 investments	
						(Rupees in '000)			%		
<b>AUTOMOBILE ASSEMBLER</b>											
Sazgar Engineering Works Limited	-	373,873	-	-	373,873	422,220	418,132	(4,088)	2.58	2.72	0.01
						422,220	418,132	(4,088)	2.58	2.72	0.01
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>											
Agriauto Industries Limited**	155,000	-	-	26,065	128,935	13,229	14,014	785	0.09	0.09	-
Panther Tyres Ltd.	678,000	3,184,451	-	-	3,862,451	156,865	180,145	23,280	1.11	1.17	0.02
Atlas Battery Limited*	-	114,773	-	17,773	97,000	36,958	36,932	(26)	0.23	0.24	-
Exide Pakistan Limited	-	62,699	-	11,842	50,857	40,750	40,749	(1)	0.25	0.26	0.01
Ghandhara Tyre & Rubber Company Limited	-	616,206	-	616,206	-	-	-	-	-	-	-
						247,802	271,840	24,038	1.68	1.77	0.03
<b>CABLE AND ELECTRICAL GOODS</b>											
Pak Elektron Limited	7,225,000	7,201,558	-	11,926,558	2,500,000	65,277	109,625	44,348	0.68	0.71	-
Fast Cable Limited	1,920,594	-	-	1,920,594	-	-	-	-	-	-	-
						65,277	109,625	44,348	0.68	0.71	-
<b>CEMENT</b>											
Fauji Cement Company Limited***	6,160,000	30,798,765	-	12,958,765	24,000,000	640,574	877,920	237,346	5.42	5.70	0.01
Lucky Cement Limited	405,000	657,952	-	681,040	381,912	350,344	420,290	69,946	2.59	2.73	-
Maple Leaf Cement Factory Limited	6,650,000	1,300,000	-	7,090,000	860,000	32,783	39,508	6,725	0.24	0.26	-
Pioneer Cement Limited	1,500,000	442,698	-	1,091,977	850,721	158,324	171,029	12,705	1.06	1.11	-
D.G. Khan Cement Company Limited*	-	1,450,000	-	350,000	1,100,000	105,387	115,412	10,025	0.71	0.75	-
Cheral Cement Company Limited	-	227,513	-	-	227,513	63,101	62,268	(833)	0.38	0.40	-
						1,350,513	1,686,427	335,914	10.40	10.95	0.01
<b>CHEMICAL</b>											
Archroma Pakistan Limited	179,287	-	-	179,287	-	-	-	-	-	-	-
Dynea Pakistan Limited**	126,147	-	-	126,147	-	-	-	-	-	-	-
Ittehad Chemical Limited	810,000	777,697	-	-	1,587,697	78,150	118,934	40,784	0.73	0.77	0.02
Nimir Industrial Chemicals Limited	409,999	768,614	-	-	1,178,613	149,577	169,720	20,143	1.05	1.10	0.01
Sitara Chemical Industries Limited	19,907	10,000	-	-	29,907	10,002	9,421	(581)	0.06	0.06	-
Lotte Chemical Pakistan Limited	-	6,975,286	-	1,975,286	5,000,000	89,891	104,550	14,659	0.64	0.68	-
						327,620	402,625	75,005	2.48	2.61	0.03
<b>COMMERCIAL BANKS</b>											
Bank Alfalah Limited	6,382,610	15,263,487	-	3,132,457	18,513,640	1,296,627	1,542,742	246,115	9.52	10.02	0.01
Habib Bank Limited	3,331,000	6,612,582	-	5,583,332	4,360,250	643,682	760,689	117,007	4.69	4.94	-
Habib Metropolitan Bank Limited	3,999,421	1,895,140	-	1,228,991	4,665,570	336,697	405,905	69,208	2.50	2.64	-
MCB Bank Limited*	71,000	1,237,290	-	1,308,290	-	-	-	-	-	-	-
Meezan Bank Limited	1,263,059	5,721,539	-	2,177,338	4,807,260	1,125,159	1,163,213	38,054	7.18	7.55	-
United Bank Limited***	700,000	1,681,801	-	1,366,801	1,015,000	302,833	387,963	85,130	2.39	2.52	-
National Bank of Pakistan	1,870,000	3,818,200	-	2,773,200	2,915,000	161,449	195,072	33,623	1.20	1.27	-
BankIslami Pakistan Limited	-	7,700,015	-	-	7,700,015	176,353	176,869	516	1.09	1.15	-
Faysal Bank Limited	-	3,150,000	-	-	3,150,000	153,963	152,712	(1,251)	0.94	0.99	-
						4,196,763	4,785,165	588,402	29.52	31.08	0.01
<b>ENGINEERING</b>											
Mughal Iron & Steels Industries Limited	850,000	3,865,000	-	150,000	4,565,000	353,605	365,657	12,052	2.26	2.37	0.01
International Steels Limited*	-	95,000	-	95,000	-	-	-	-	-	-	-
						353,605	365,657	12,052	2.26	2.37	0.01

\* These represent transaction in shares with related parties.

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

\*\*\* These represent pledge securities.



# 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 investments	
						(Rupees in '000)			%		
<b>FERTILIZER</b>											
Engro Corporation Limited	-	1,119,500	-	649,500	470,000	150,033	209,282	59,249	1.29	1.36	-
Fauji Fertilizer Bin Qasim Limited (note 5.1.1.3)	3,970,000	-	-	3,970,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited (note 5.1.1.3)	2,200,000	250,000	-	1,780,000	670,000	111,494	245,434	133,940	1.51	1.59	-
Engro Fertilizers Limited	530,000	3,221,200	-	452,000	3,299,200	626,788	673,664	46,876	4.16	4.38	-
Falima Fertilizer Company Limited	-	11,207,893	-	260,000	10,947,893	658,146	857,001	198,855	5.29	5.57	0.01
						<b>1,546,461</b>	<b>1,985,381</b>	<b>438,920</b>	<b>12.25</b>	<b>12.89</b>	<b>0.01</b>
<b>FOOD AND PERSONAL CARE PRODUCTS</b>											
Al-Tahur Limited	1,300,000	650,348	-	1,950,348	-	-	-	-	-	-	-
National Foods Limited**	500,000	1,487,031	-	24,824	1,962,207	354,938	379,255	24,317	2.34	2.46	0.01
						<b>354,938</b>	<b>379,255</b>	<b>24,317</b>	<b>2.34</b>	<b>2.46</b>	<b>0.01</b>
<b>GLASS AND CERAMICS</b>											
Shabbir Tiles & Ceramics Limited**	7,750,000	1,501,911	-	1,468,345	7,783,566	112,378	125,238	12,860	0.77	0.81	0.03
Ghani Glass Limited	-	1,170,368	-	130,000	1,040,368	31,465	33,708	2,243	0.21	0.22	-
Tariq Glass Industries Limited	-	586,768	-	226,768	360,000	39,700	57,010	17,310	0.35	0.37	-
						<b>183,543</b>	<b>215,956</b>	<b>32,413</b>	<b>1.33</b>	<b>1.40</b>	<b>0.03</b>
<b>INSURANCE</b>											
Adamjee Insurance Company Limited*	900,000	2,750,000	-	1,660,000	1,990,000	75,022	99,401	24,379	0.61	0.65	0.01
Jubilee General Insurance Limited	-	300,000	-	-	300,000	13,800	17,244	3,444	0.11	0.11	-
						<b>88,822</b>	<b>116,645</b>	<b>27,823</b>	<b>0.72</b>	<b>0.76</b>	<b>0.01</b>
<b>MISCELLANEOUS</b>											
Shifa International Hospitals Limited***	1,503,044	223,060	-	768,883	957,221	152,866	379,452	226,586	2.34	2.46	0.02
Synthetic Products Enterprise Limited**	4,150,000	-	-	4,150,000	-	-	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited	-	1,447,754	-	680,794	766,960	66,244	95,939	29,695	0.59	0.62	-
						<b>219,110</b>	<b>475,391</b>	<b>256,281</b>	<b>2.93</b>	<b>3.09</b>	<b>0.02</b>
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	41,200	-	-	41,200	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	1,300,000	2,737,368	-	1,887,368	2,150,000	320,956	488,609	167,653	3.01	3.17	-
Pakistan Petroleum Limited	-	700,000	-	700,000	-	-	-	-	-	-	-
						<b>320,956</b>	<b>488,609</b>	<b>167,653</b>	<b>3.01</b>	<b>3.17</b>	<b>-</b>
<b>OIL AND GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited	23,539	835,020	-	608,559	250,000	61,301	110,173	48,872	0.68	0.72	-
Attock Petroleum Limited	-	320,769	-	20,000	300,769	147,129	166,758	19,629	1.03	1.08	-
Shell Pakistan Limited	-	429,700	-	429,700	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	3,226,380	-	1,926,380	1,300,000	103,029	145,522	42,493	0.90	0.95	-
						<b>311,459</b>	<b>422,453</b>	<b>110,994</b>	<b>2.61</b>	<b>2.74</b>	<b>-</b>
<b>PHARMACEUTICALS</b>											
Abbott Laboratories (Pakistan) Limited	163,890	178,782	-	234,577	108,095	87,421	133,806	46,385	0.83	0.87	-
AGP Limited	1,857,993	860,329	-	1,958,593	759,729	125,485	129,230	3,745	0.80	0.84	-
Citi Pharma Ltd.	4,482,833	875,000	-	5,357,833	-	-	-	-	-	-	-
Ferozsons Laboratories Limited	415,629	440,951	-	424,681	431,899	125,946	144,837	18,891	0.89	0.94	0.01
GlaxoSmithKline Pakistan Limited	1,049,980	553,248	-	1,603,228	-	-	-	-	-	-	-
Haleon Pakistan Limited	394,107	13,500	-	396,326	11,281	9,155	9,111	(44)	0.06	0.06	-
Highnoon Laboratories Limited	-	187,836	-	47,836	140,000	111,216	128,551	17,335	0.79	0.83	-
The Searle Company Limited	-	3,090,000	-	3,090,000	-	-	-	-	-	-	-
						<b>459,223</b>	<b>545,535</b>	<b>86,312</b>	<b>3.37</b>	<b>3.54</b>	<b>0.01</b>
<b>REFINERY</b>											
Attock Refinery Limited	172,000	345,000	-	517,000	-	-	-	-	-	-	-
						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>POWER GENERATION AND DISTRIBUTION</b>											
The Hub Power Company Limited	510,000	950,000	-	1,460,000	-	-	-	-	-	-	-
Lalpir Power Limited*	400,000	1,250,000	-	650,000	1,000,000	24,518	21,740	(2,778)	0.13	0.14	-
Nishat Chunian Power Limited	4,069,525	2,405,955	-	2,720,480	3,755,000	111,186	101,272	(9,914)	0.62	0.66	0.01
Nishat Power Limited*	-	6,452,672	-	-	6,452,672	192,258	228,166	35,908	1.41	1.48	0.02
						<b>327,962</b>	<b>351,178</b>	<b>23,216</b>	<b>2.17</b>	<b>2.28</b>	<b>0.03</b>

\* These represent transaction in shares with related parties.

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

\*\*\* These represent pledge securities.

# 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	Net assets of the Fund	Total market value of investments	
						(Rupees in '000)			%		
TECHNOLOGY AND COMMUNICATION											
Systems Limited***	978,000	512,500	-	665,000	825,500	367,467	513,007	145,540	3.16	3.33	-
Pakistan Telecommunication Company Ltd	-	12,301,592	-	5,751,592	6,550,000	120,126	178,619	58,493	1.10	1.16	-
						487,593	691,626	204,033	4.27	4.49	-
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited	5,240,500	7,482,050	-	2,739,038	9,983,512	216,482	252,683	36,201	1.56	1.64	0.01
Interloop Limited	3,700,000	4,591,719	-	430,753	7,860,966	547,074	540,206	(6,868)	3.33	3.51	0.01
Nishat Chunian Limited	5,753,979	5,340,327	-	1,038,064	10,056,242	283,199	352,874	69,675	2.18	2.29	0.04
Nishat Mills Limited*	2,044,695	420,000	-	2,064,695	400,000	27,996	42,856	14,860	0.26	0.28	-
						1,074,751	1,188,619	113,868	7.33	7.72	0.06
PAPER, BOARD AND PACKAGING											
Century Paper & Board Mills Limited	150,000	1,024,900	-	224,900	950,000	25,573	31,312	5,739	0.19	0.20	-
Packages Limited	146,926	80,621	-	10,000	217,547	118,861	129,558	10,697	0.80	0.84	-
						144,434	160,870	16,436	0.99	1.04	-
TOBACCO											
Pakistan Tobacco Company Limited	87,366	174,543	-	30,728	231,181	249,450	307,885	58,435	1.90	2.00	-
						249,450	307,885	58,435	1.90	2.00	-
TEXTILE SPINNING											
Gadon Textile Mills Limited	-	120,500	-	-	120,500	28,248	28,681	433	0.18	0.19	-
						28,248	28,681	433	0.18	0.19	-
Total as at December 31, 2024 (Un-audited)						12,760,749	15,397,553	2,636,804			
Total as at June 30, 2024 (audited)						5,768,671	6,975,458	1,206,787			

\* These represent transaction in shares with related parties.

\*\*\* These represent pledge securities.

**5.1.1.1** Investments include 5,910,000 shares (June 30, 2024: 6,160,000 shares) of Fauji Cement Company Limited having market value of Rs. 216,187.80 million as at December 31, 2024 (June 30, 2024: Rs. 141.126 million), 215,300 shares (June 30, 2024: 215,300 shares) of Shifa International Hospital Limited having market value of Rs. 85,347.07 million (June 30, 2024: 31.565 million), 160,100 shares (June 30, 2024: 145,100 shares) of Systems Limited having market value of Rs. 99,494.15 million (June 30, 2024: Rs. 60.695 million), 500,000 shares (June 30, 2024: 500,000 shares) of United Bank Limited having market value of Rs. 191,115 million as at December 31, 2024 (June 30, 2024: Rs. 128.120 million), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of security	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	---- (Number of shares) ----		---- (Rupees in '000) ----	
Fauji Cement Company Limited	5,910,000	6,160,000	216,188	141,126
Shifa International Hospital Limited	215,300	215,300	85,347	31,565
Systems Limited	160,100	145,100	99,494	60,695
United Bank Limited	500,000	500,000	191,115	128,120
	<b>6,785,400</b>	<b>7,020,400</b>	<b>592,144</b>	<b>361,506</b>

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



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

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

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. 6.58 million (June 30, 2024: Rs. 6.87million).

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	December 31, 2023 (Audited) (Rupees in '000)
<b>5.2 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>			
Market value of investments	5.1.1	15,397,553	5,790,226
Less: Carrying value of investments	5.1.1	(12,760,749)	(4,769,561)
		2,636,804	1,020,665
	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited) (Rupees in '000)
<b>6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
Advance tax	6.1	7,731	9,308
Deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		5,216	5,216
- Central Depository Company of Pakistan Limited (CDC)		500	500
Profit receivable on savings accounts with banks		12,461	6,841
Other receivables		9,096	4,292
		32,348	26,157

- 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 payment of dividend and profit on savings accounts with banks paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 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 and profit on savings accounts with banks amounts to Rs. 7.73 million (June 30, 2024: Rs. 9.31 million).

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

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 profit on debt securities and profit on bank deposits has been shown as advance tax as at December 31, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
<b>7 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	7.1	46,038	18,049
Sindh Sales Tax payable on remuneration of the Management Company	7.2	6,906	2,346
Allocated expenses Payable	7.3	-	460
Sales load payable		7,541	333
Selling and marketing expenses payable	7.4	-	5,233
		<u>60,485</u>	<u>26,421</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: 2.00% to 3.46%) per annum of the average annual net assets of the Fund calculated on a daily basis 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. 26.62 million (December 31, 2023: Rs. 8.54 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% (December 31, 2023: 13%) and an amount of Rs. 22.06 million (December 31, 2023: Rs. 7.56 million) has been paid to the Management Company which acts as a collecting agent.

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

The Management Company 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 expenses.

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

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
<b>8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	8.1	1,408	656
Sindh Sales Tax payable on trustee remuneration	8.2	211	85
		<u>1,619</u>	<u>741</u>

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

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



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

- 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. 0.841 million (December 31, 2023: Rs. 0.394 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% (2023: 13%) and an amount of Rs. 0.72 million (December 31, 2023: Rs. 0.27 million) was paid to the Trustee which acts as a collecting agent.

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited)
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Fee payable	9.1	1,257	546
		<u>1,257</u>	<u>546</u>

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

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)
<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for federal excise duty on:			
- Remuneration of the Management Company	10.1	54,774	54,774
- Sales load		3,933	3,933
Auditors' remuneration payable		740	939
Withholding tax payable		36,969	22,794
Brokerage payable		24,328	3,567
Dividend payable		9,726	9,726
Other payables		113	76
		<u>130,583</u>	<u>95,809</u>

- 10.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration 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, sales load and related taxes 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 58.7 million (June 30, 2024: Rs. 58.7 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. 0.83 per unit (June 30, 2024: Rs. 1.15 per unit).

## **11 CONTINGENCIES AND COMMITMENTS**

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

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

## 12 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 for the year ending June 30, 2025 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 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 based on the current period results is 5.13% (December 31, 2023: 4.87%) which includes 0.74% (December 31, 2023: 0.54%) representing Government Levy, SECP fee 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 "Equity Scheme".

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

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being the 100% subsidiary of the Holding Company), the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

The details of transactions and balances at half year ended with related parties / connected persons are as follows:

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

	Half year ended December 31,	
	2024 (Un-audited)	2023 (Un-audited)
	— (Rupees in '000) —	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	204,120	74,270
Selling and marketing expense	-	17,303
Allocated expenses	-	3,254
Units issued to unitholder on behalf of the Management Company*	63,576	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration (including indirect taxes)	6,446	3,422
Central Depository Service (CDS) settlement charges	856	546
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Bank charges	35	16
Profit on savings accounts with banks	27,450	8,001
Dividend income	9,857	-
Purchase of 1,237,290 shares (December 31, 2023: 678,636 shares)	293,653	105,300
Sale of 1,308,290 shares (December 31, 2023: 378,636 shares)	347,929	58,130

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

	<b>Half year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Adamjee Life Assurance Company Limited</b>		
Sale of Nil (December 31, 2023: 101,104) shares	-	2,431
Dividend income	-	101
<b>D.G. Khan Cement Company Limited</b>		
Purchase of 1,450,000 shares (December 31, 2023: 1,457,411 shares)	138,823	67,485
Sale of 350,000 shares (December 31, 2023: 2,882,911 shares)	36,803	190,676
<b>Nishat Mills Limited</b>		
Purchase of 420,000 shares (December 31, 2023: 1,526,669 shares)	27,719	115,602
Sale of 2,064,695 shares (December 31, 2023: 476,000 shares)	155,094	32,740
Dividend income	3,000	3,645
<b>Nishat Power Limited</b>		
Purchase of 6,452,672 shares (December 31, 2023: Nil shares)	192,258	-
Dividend income	7,332	-
<b>Lalpir Power Limited</b>		
Purchase of 1,250,000 shares (December 31, 2023: Nil shares)	30,287	-
Sale of 650,000 shares (December 31, 2023: Nil shares)	10,284	-
Dividend income	3,300	-
<b>International Steels Limited</b>		
Purchase of 95,000 shares (December 31, 2023: 2,565,545 shares)	7,070	121,756
Sale of 95,000 shares (December 31, 2023: 2,742,425 shares)	8,552	179,095
Dividend income	-	3,682
<b>Adamjee Insurance Company Limited</b>		
Dividend income	2,325	-
Purchase of 2,750,000 shares (December 31, 2023: 1,000,000 shares)	105,285	35,240
Sale of 1,660,000 shares (December 31, 2023: Nil shares)	89,222	-
<b>Atlas Battery Limited</b>		
Purchase of 114,773 shares (December 31, 2023: Nil shares)	42,326	-
Sale of 17,773 shares (December 31, 2023: 21,863 shares)	6,686	5,151
Dividend income	-	219

\* This represents amount reimbursed by the Management Company in the form of dividend to identified unit holders of the Fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan.

**14.2 Balances outstanding at period / year end**

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>----- (Rupees in '000) -----</b>	
<b>MCB Investment Management Limited - Management Company</b>		
Management remuneration payable	46,038	18,049
Sindh Sales Tax payable on remuneration of the management company	6,906	2,346
Selling and marketing expenses payable	-	5,233
Allocated expenses payable	-	460
Sales load payable	7,541	333
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	1,408	656
Sindh Sales Tax payable on trustee remuneration	211	85
Security deposit	500	500
<b>Group / associated companies</b>		
<b>MCB Bank Limited - Parent of the Management Company</b>		
Balances with banks	517,575	241,116
Profit receivable on savings account with bank	5,345	4,320
Nil shares (June 30, 2024: 71,000 shares)	-	16,118



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

## Balances outstanding at period end:

	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited)
<b>D.G. Khan Cement Company Limited</b>		
1,100,000 shares (June 30, 2024: nil shares)	115,412	-
<b>Adamjee Insurance Company Limited</b>		
1,990,000 shares (June 30, 2024: 900,000 shares)	99,401	32,319
<b>Nishat Mills Limited</b>		
400,000 shares (June 30, 2024: 2,044,695 shares)	42,856	144,867
<b>Atlas Battery Limited</b>		
97,000 shares (June 30, 2024: nil shares)	36,932	-
<b>Lalpir Power Limited</b>		
1,000,000 shares (June 30, 2024: 400,000 shares)	21,740	10,168
<b>Nishat Power Limited</b>		
6,452,672 shares (June 30, 2024: nil shares)	228,166	-

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

	Half year ended December 31, 2024							
	As at July 01, 2024	Issued for cash	Redeemed	As at December 31 2024	As at July 01, 2024	Issued for cash	Redeemed	As at December 31, 2024
	Units				(Rupees in '000)			
<b>Group / Associated Companies</b>								
MCB Investment Management Limited - Management Company	-	1,946,993	1,622,097	324,897	-	321,371	311,000	74,018
Adamjee Life Assurance Company Limited Conventional Business	-	2,432,373	1,856,206	576,167	-	416,311	401,400	131,263
D.G. Khan Cement Company Limited Employees Provident Fund Trust	-	594	-	594	-	131	-	135
Adamjee Life Assurance Company Limited - NUIL Fund	-	1,433	-	1,433	-	316	-	326
Adamjee Life Assurance Company Limited - IMF	12,672,376	1,962,173	6,517,715	8,116,834	1,912,820	340,552	1,345,000	1,849,188
Kapco Employees Pension Fund	-	1,271	-	1,271	-	280	-	290
Adamjee Life Assurance Company Limited-Employees Gratuity Fund	-	2,432,373	2,432,373	0	-	405,400	416,311	0
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	87	-	87	-	19	-	20
Adamjee Insurance Company Limited - Employees Provident Fund	-	287	-	287	-	63	-	65
Adamjee Life Assurance Company Limited - DGF	-	48	-	48	-	11	-	11
Adamjee Life Assurance Company Limited - Managed Growth Fund	-	56,517	35,581	20,936	-	8,700	5,850	4,770
	-	-	-	-	-	-	-	-
<b>Directors and Key Management Personnel</b>	137,849	442,146	340,005	239,990	20,807	86,624	68,688	54,675
<b>Mandate under discretionary Portfolio</b>	1,449,096	8,144,056	8,958,209	634,943	218,732	1,723,149	1,888,762	144,653

	Half year ended December 31, 2023							
	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023
	Units				(Rupees in '000)			
<b>Group / Associated Companies</b>								
MCB Investment Management Limited - Management Company*	-	564,426	546,426	-	-	50,000	54,109	-
Adamjee Life Assurance Company Limited - IMF *	14,524,931	-	486,372	14,038,559	1,223,984	-	50,000	1,862,472
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	199,265	-	16,792	-	19,185	-
<b>Director and Key Management Personnel</b>	105,854	397,028	244,053	258,829	8,920	49,257	31,525	34,338
<b>Mandate under discretionary portfolio services</b>	953,135	847,416	991,516	809,035	80,319	117,110	121,337	107,333
<b>Unit holders holding 10% or more</b>	10,420,530	-	5,400,175	5,020,355	878,115	-	-	666,042



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

## 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.

### 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	15,397,553	-	-	15,397,553
	15,397,553	-	-	15,397,553
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	6,975,458	-	-	6,975,458
	6,975,458	-	-	6,975,458

## 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**

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