



MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN SOVEREIGN FUND

TABLE OF CONTENTS

1	Fund's Information	70
2	Report of the Directors of the Management Company	71
3	Trustee Report to the Unit Holders	79
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	80
5	Condensed Interim Statement of Assets And Liabilities	81
6	Condensed Interim Income Statement (Un-audited)	82
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	83
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	84
9	Condensed Interim Cash Flow Statement (Un-audited)	85
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	86

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	MCB Bank Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited	Habib Metropolitan Bank Limited United Bank Limited Zarai Taraqiat Bank Limited Js Bank Limited National Bank Of Pakistan
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

Dear Investor,

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

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 23.07% as against its benchmark return of 16.23%. At period-end, the fund decreased its exposure in cash to 4.7% from 11.5%.

The Net Assets of the Fund as at December 31, 2024 stood at Rs. 27,682 million as compared to Rs. 11,082 million as at June 30, 2024 registering an increase of 149.7%.

The Net Asset Value (NAV) per unit as at December 31, 2024 was Rs. 60.28 as compared to opening NAV of Rs. 54.0600 per unit as at June 30, 2024 registering an increase of Rs. 6.22 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

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.

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 broader 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**

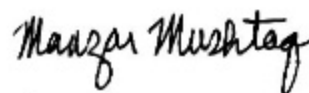
ACKNOWLEDGMENT

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

Munazza Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء

خواجه خلیل شاہ

خواجه خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

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 فیصد ہو گئے ہیں۔ ہم سمجھتے ہیں کہ شرح سود میں مزید 100 بی پی ایس 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 جھکی 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۔

حاملین قرض کے لیے ہم سمجھتے ہیں کہ منی مارکیٹ فنڈز سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز صنعت کے نیٹ اثاثہ جات مالی سال 2025ء کے نصف اوّل 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 براں، 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 کچھ سیٹل 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۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 23.07 فیصد تھا جو بینچمارک ریٹرن 16.23 فیصد کے بالمقابل ہے۔ اختتام مدت پر فنڈ نے نقد میں اپنی سرمایہ کاری کو 11.5 فیصد سے کم کر کے 4.7 فیصد کر لیا۔ 31 دسمبر 2024ء کو فنڈ کے نیٹ اثاثہ جات 27,682 ملین روپے تھے، جو 30 جون 2024ء کو 11,082 ملین روپے کے مقابلے میں 149.7 فیصد اضافہ ہے۔ 31 دسمبر 2024ء کو فنڈ کی نیٹ اثاثہ جاتی قدر (NAV) فی یونٹ 60.28 روپے تھی، جو 30 جون 2024ء کو ابتدائی (NAV) 54.0600 روپے فی یونٹ کے مقابلے میں 6.22 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 کارخانہ ربا 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

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان سویرین 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 فسیلٹی (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 تسنزل 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.cdc-pakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN SOVEREIGN 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 Sovereign 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 Sovereign 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: RR202410611fgRNVGtOp

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

		December 31, 2024 (Un-audited) ———— (Rupees in '000) ————	June 30, 2024 (Audited)
	Note		
ASSETS			
Balances with banks	4	1,449,372	1,653,319
Investments	5	28,319,322	10,768,089
Profit receivables	6	709,634	430,506
Receivable against sale of investments		269,427	1,541,304
Advances, deposits, prepayments and other receivables	7	39,008	5,871
Total assets		30,786,763	14,399,089
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	8	61,477	18,924
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,730	516
Payable to the Securities and Exchange Commission of Pakistan	10	2,050	623
Payable against purchase of investments		2,944,416	3,225,183
Accrued expenses and other liabilities	11	95,098	72,114
Total liabilities		3,104,771	3,317,360
NET ASSETS		27,681,992	11,081,729
Unit holders' fund (as per statement attached)		27,681,992	11,081,729
Contingencies and commitments	12		
		———— (Number of units) ————	
NUMBER OF UNITS IN ISSUE		459,218,019	204,996,026
		———— (Rupees) ————	
NET ASSET VALUE PER UNIT		60.28	54.06

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

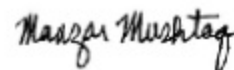
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

		Half year ended		Quarter ended	
		December 31,		December 31,	
		2024	2023	2024	2023
Note		(Rupees in '000)			
INCOME					
		2,039,171	412,641	1,332,209	308,489
		109,061	63,923	41,771	41,602
		655,120	1,371	394,437	21,911

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

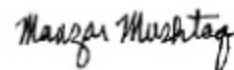
For MCB Investment Management Limited
(Management Company)



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	2,825,542	426,054	1,222,947	332,560
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>2,825,542</u>	<u>426,054</u>	<u>1,222,947</u>	<u>332,560</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

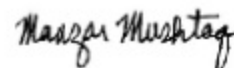
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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 (losses) / income	Total	Capital value	Undistributed losses	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	11,746,432	(664,703)	11,081,729	1,375,200	(701,580)	673,620
Issuance of 1,009,462,517 units (2023: 362,103,539 units):						
- Capital value (at ex-net asset value per unit at the beginning of the period)	54,571,544	-	54,571,544	19,488,412	-	19,488,412
- Element of income	3,861,886	-	3,861,886	1,541,308	-	1,541,308
Total proceeds on issuance of units	58,433,430	-	58,433,430	21,029,720	-	21,029,720
Redemption of 755,240,524 units (2023: 176,053,056 units):						
- Capital value (at ex-net asset value per unit at the beginning of the period)	(40,828,303)	-	(40,828,303)	(9,475,175)	-	(9,475,175)
- Element of loss	(2,567,554)	(1,250,552)	(3,818,106)	(580,714)	(177,762)	(758,476)
Total payments on redemption of units	(43,395,857)	(1,250,552)	(44,646,409)	(10,055,889)	(177,762)	(10,233,651)
Total comprehensive income for the period	-	2,825,542	2,825,542	-	426,054	426,054
Distribution for the period ended December 31, 2024 @ 0.06 per unit on July 1, 2024	-	(12,300)	(12,300)	-	-	-
Net income for the period less distribution	-	2,813,242	2,813,242	-	426,054	426,054
Net assets as at the end of the period (un-audited)	<u>26,784,005</u>	<u>897,987</u>	<u>27,681,992</u>	<u>12,349,031</u>	<u>(453,288)</u>	<u>11,895,743</u>
Accumulated losses brought forward						
- Realised loss		(697,867)			(688,112)	
- Unrealised income / (loss)		33,164			(13,468)	
		<u>(664,703)</u>			<u>(701,580)</u>	
Accounting income available for distribution						
- Relating to capital gains		538,268			-	
- Excluding capital gains		1,036,722			248,292	
		1,574,990			248,292	
Distributions made during the period		(12,300)			-	
Accumulated income / (loss) carried forward		<u>897,987</u>			<u>(453,288)</u>	
Accumulated income / (loss) carried forward						
- Realised income / (loss)		554,203			(453,688)	
- Unrealised income / (loss)		343,784			400	
		<u>897,987</u>			<u>(453,288)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>54.06</u>			<u>53.82</u>	
Net assets value per unit at the end of the period		<u>60.28</u>			<u>59.91</u>	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

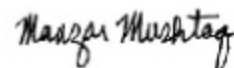
For MCB Investment Management Limited
(Management Company)



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		2,825,542	426,054
Adjustment for:			
Net unrealised appreciation on re-measurement of investments			
investments classified as 'financial assets at fair value through profit or loss'	5.5	(343,784)	(400)
		2,481,758	425,654
Increase in assets			
Investments - net		(16,917,311)	(10,328,388)
Profit receivables		(279,128)	(201,034)
Receivable against sale of investments		1,271,877	-
Advances, deposits, prepayments and other receivables		(33,137)	(1,240)
		(15,957,699)	(10,530,662)
(Decrease) / increase in liabilities			
Payable to MCB Investment Management Limited - Management Company		42,553	20,864
Payable to Central Depository Company of Pakistan Limited - Trustee		1,214	510
Payable to the Securities and Exchange Commission of Pakistan		1,427	523
Payable against purchase of investments		(280,767)	1,677,045
Accrued expenses and other liabilities		22,984	(2,538)
		(212,589)	1,696,404
Net cash used in operating activities		(13,688,530)	(8,408,604)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		58,433,430	21,029,720
Payments against redemption and conversion of units		(44,646,409)	(10,233,651)
Dividend paid		(12,300)	-
Net cash generated from financing activities		13,774,721	10,796,069
Net increase in cash and cash equivalents during the period		86,191	2,387,465
Cash and cash equivalents at the beginning of the period		2,847,931	192,195
Cash and cash equivalents at the end of the period	15	2,934,122	2,579,660

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

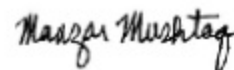
For MCB Investment Management Limited
(Management Company)



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 Sovereign 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 December 20, 2002 consequent to which Trust Deed was executed on January 07, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the 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 13, 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 certificate of registration issued by SECP. The registered office of the Management Company 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. MCB Pakistan Sovereign Fund has a policy of investing in Pakistani rupee denominated debt securities issued by the Government of Pakistan, reverse repurchase transaction in government securities and any otherwise un-invested funds in deposits with banks and financial institutions. In addition, the Fund can also invest in sub-scheme of the Fund. The units of the Funds are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as 'Income scheme' by the Board of Directors of Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 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 and has maintained the stability rating of the Fund at AA-(f) on September 6, 2024 (June 30, 2024: AA-(f) dated September 8, 2023). 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.

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

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.

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 these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions 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)
		----- (Rupees in '000) -----	
4 BALANCES WITH BANKS			
- In savings accounts	4.1	1,441,928	1,653,304
- In current accounts	4.2	7,444	15
		<u>1,449,372</u>	<u>1,653,319</u>

4.1 These carry profit at the rate of 11.50% (June 30, 2024: 19.00% to 21.85%) per annum and include Rs. 5.47 million (June 30, 2024: Rs. 5.32 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.

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

4.2 This includes a balance of Rs. 7.44 million (June 30, 2024: Rs 0.01 million) maintained with MCB Bank Limited (a related party).

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
5 INVESTMENTS			

At fair value through profit or loss

Government securities

Market Treasury Bills	5.1	9,951,858	2,498,037
Pakistan Investment bonds	5.2	6,577,622	2,503,802
Pakistan Investment bonds - Floating Rate Bond (FRB)	5.3	10,460,342	1,924,997
GoP Ijarah Sukuks certificates	5.4	1,329,500	3,841,253
		<u>28,319,322</u>	<u>10,768,089</u>

5.1 Market Treasury Bills

Name of security	Tenor	Issue date	Maturity date	Face Value			Balance as at December 31, 2024			Market value as a percentage of		
				As at July 01, 2024	Purchased during the period	Sold / matured 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)										%		
Market Treasury Bills	3 months	May 30, 2024	August 22, 2024	-	1,000,000	1,000,000	-	-	-	-	-	-
Market Treasury Bills	3 months	July 11, 2024	October 3, 2024	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills	3 months	August 8, 2024	October 31, 2024	-	350,000	350,000	-	-	-	-	-	-
Market Treasury Bills	3 months	August 22, 2024	November 14, 2024	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills*	3 months	October 17, 2024	January 9, 2025	-	24,450,000	23,450,000	1,000,000	997,357	997,170	(187)	3.60%	3.52%
Market Treasury Bills	3 months	October 31, 2024	January 23, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	3 months	November 14, 2024	February 6, 2025	-	4,600,000	4,600,000	-	-	-	-	-	-
Market Treasury Bills	3 months	November 28, 2024	February 20, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	3 months	December 12, 2024	March 6, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills**	3 months	December 26, 2024	March 20, 2025	-	1,000,000	500,000	500,000	487,679	487,580	(99)	1.76%	1.72%
Market Treasury Bills	6 months	April 4, 2024	October 3, 2024	-	6,000,000	6,000,000	-	-	-	-	-	-
Market Treasury Bills	6 months	May 16, 2024	November 14, 2024	-	2,000,000	2,000,000	-	-	-	-	-	-
Market Treasury Bills	6 months	July 11, 2024	January 9, 2025	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills	6 months	July 25, 2024	January 23, 2025	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills	6 months	August 8, 2024	February 6, 2025	-	350,000	350,000	-	-	-	-	-	-
Market Treasury Bills	6 months	August 22, 2024	February 20, 2025	-	3,150,000	3,150,000	-	-	-	-	-	-
Market Treasury Bills***	6 months	September 5, 2024	March 6, 2025	-	12,000,000	9,000,000	3,000,000	2,944,416	2,943,897	(519)	10.63%	10.40%
Market Treasury Bills	6 months	October 3, 2024	April 3, 2025	-	750,000	750,000	-	-	-	-	-	-
Market Treasury Bills	6 months	October 17, 2024	April 17, 2025	-	7,405,000	7,405,000	-	-	-	-	-	-
Market Treasury Bills****	6 months	October 31, 2024	May 2, 2025	-	3,425,000	3,414,000	11,000	10,547	10,582	35	0.04%	0.04%
Market Treasury Bills	6 months	November 14, 2024	May 15, 2025	-	6,780,000	6,780,000	-	-	-	-	-	-
Market Treasury Bills	6 months	November 28, 2024	May 29, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	6 months	December 12, 2024	June 12, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills****	6 months	December 26, 2024	June 26, 2025	-	500,000	-	500,000	472,938	472,865	(73)	1.71%	1.67%
Market Treasury Bills	12 months	July 13, 2023	July 11, 2024	1,200,000	-	1,200,000	-	-	-	-	-	-
Market Treasury Bills	12 months	October 19, 2023	October 17, 2024	3,900	13,100,000	13,103,900	-	-	-	-	-	-
Market Treasury Bills	12 months	November 2, 2023	October 31, 2024	-	17,000,000	17,000,000	-	-	-	-	-	-
Market Treasury Bills	12 months	November 16, 2023	November 14, 2024	-	2,100,000	2,100,000	-	-	-	-	-	-
Market Treasury Bills	12 months	November 30, 2023	November 28, 2024	10,000	2,050,000	2,060,000	-	-	-	-	-	-
Market Treasury Bills	12 months	December 14, 2023	December 12, 2024	-	11,800,000	11,800,000	-	-	-	-	-	-
Market Treasury Bills	12 months	December 28, 2023	December 26, 2024	-	31,705,710	31,705,710	-	-	-	-	-	-
Market Treasury Bills	12 months	January 11, 2024	January 9, 2025	-	35,000	35,000	-	-	-	-	-	-

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

Name of security	Tenor	Issue date	Maturity date	Face Value			Balance as at December 31, 2024			Market value as a percentage of		
				As at July 01, 2024	Purchased during the period	Sold / matured 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)										%		
Market Treasury Bills***** & *	12 months	January 25, 2024	January 23, 2025	600	1,000,000	1,000,000	600	594	596	2	-	-
Market Treasury Bills*****	12 months	April 4, 2024	April 3, 2025	-	500,000	-	500,000	482,993	485,461	2,468	1.75%	1.71%
Market Treasury Bills	12 months	April 18, 2024	April 17, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Market Treasury Bills	12 months	May 2, 2024	May 2, 2025	1,000,000	3,650,000	4,650,000	-	-	-	-	-	-
Market Treasury Bills	12 months	May 16, 2024	May 15, 2025	500,000	4,100,000	4,600,000	-	-	-	-	-	-
Market Treasury Bills	12 months	May 30, 2024	May 29, 2025	-	300,000	300,000	-	-	-	-	-	-
Market Treasury Bills	12 months	July 11, 2024	July 10, 2025	-	6,300,000	6,300,000	-	-	-	-	-	-
Market Treasury Bills*****	12 months	July 25, 2024	July 24, 2025	-	2,750,000	2,250,000	500,000	458,739	468,688	9,949	1.69%	1.66%
Market Treasury Bills	12 months	August 8, 2024	August 7, 2025	-	850,000	850,000	-	-	-	-	-	-
Market Treasury Bills	12 months	August 22, 2024	August 21, 2025	-	5,270,000	5,270,000	-	-	-	-	-	-
Market Treasury Bills	12 months	September 5, 2024	September 4, 2025	-	45,240,000	45,240,000	-	-	-	-	-	-
Market Treasury Bills	12 months	October 3, 2024	October 2, 2025	-	3,030,000	3,030,000	-	-	-	-	-	-
Market Treasury Bills	12 months	October 17, 2024	October 16, 2025	-	3,800,000	3,800,000	-	-	-	-	-	-
Market Treasury Bills*****	12 months	October 31, 2024	October 30, 2025	-	9,950,000	6,200,000	3,750,000	3,412,333	3,408,908	(3,425)	12.31%	12.04%
Market Treasury Bills	12 months	November 14, 2024	November 13, 2025	-	4,500,000	4,500,000	-	-	-	-	-	-
Market Treasury Bills*****	12 months	November 28, 2024	November 27, 2025	-	750,000	-	750,000	677,377	676,111	(1,266)	2.44%	2.39%
Market Treasury Bills	12 months	December 12, 2024	December 11, 2025	-	10,375,000	10,375,000	-	-	-	-	-	-
As at December 31, 2024								9,944,973	9,951,858	6,885		
As at June 30, 2024								2,498,606	2,498,037	(569)		

* This will mature latest by January 09, 2025 carrying effective yield rate of 13.04%.

** This will mature latest by March 20, 2025 carrying effective yield rate of 11.92%.

*** This will mature latest by March 6, 2025 carrying effective yield rate of 11.97%.

**** These will mature latest by May 2, 2025 carrying effective yield rate of 11.91%.

***** This will mature latest by June 26, 2025 carrying effective yield rate of 11.90%.

***** This will mature latest by January 23, 2025 carrying effective yield rate of 12.26%.

***** This will mature latest by April 3, 2025 carrying effective yield rate of 11.88%.

***** This will mature latest by July 24, 2025 carrying effective yield rate of 11.951%.

***** These will mature latest by October 30, 2025 carrying effective yield rate of 12.09%.

***** These will mature latest by November 27, 2025 carrying effective yield rate of 12.08%.

* Nil figures are due to rounding off.

5.2 Pakistan Investment Bonds

Name of security	Tenor	Issue date	Maturity date	Profit / yield rate (%)	Face Value				Balance as at December 31, 2024			Market value as a percentage of		
					As at July 01, 2024	Purchased during the period	Sold / matured 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)														%
Pakistan Investment Bonds														
Pakistan Investment Bonds	2 years	September 20, 2024	September 20, 2026	11.47% - 16.59%	-	9,083,000	9,083,000	-	-	-	-	-	-	-
Pakistan Investment Bonds*	3 years	July 4, 2023	July 4, 2026	12.00%	1,250,000	3,375,000	2,382,000	2,233,000	2,113,461	2,227,040	113,579	8.05%	7.86%	-
Pakistan Investment Bonds**	3 years	February 15, 2024	February 15, 2027	14.00%	742,000	500,000	982,000	250,000	246,477	258,379	11,902	0.93%	0.91%	-
Pakistan Investment Bonds***	3 years	September 20, 2024	September 20, 2027	14.00%	-	3,058,000	2,654,000	404,000	408,583	418,970	10,387	1.51%	1.48%	-
Pakistan Investment Bonds****	5 years	October 13, 2022	October 13, 2027	10.50%	100,000	900,000	100,000	900,000	816,787	861,754	44,967	3.11%	3.04%	-
Pakistan Investment Bonds*****	5 years	January 17, 2024	January 17, 2029	14.00%	600,000	4,692,000	2,625,000	2,667,000	2,728,325	2,811,479	83,154	10.16%	9.93%	-
Pakistan Investment Bonds	5 years	September 20, 2024	September 20, 2029	14.00%	-	3,650,000	3,650,000	-	-	-	-	-	-	-
Pakistan Investment Bonds	10 years	September 20, 2024	September 20, 2034	13.00%	-	4,250,000	4,250,000	-	-	-	-	-	-	-
As at December 31, 2024									6,313,633	6,577,622	263,989			
As at June 30, 2024									2,511,078	2,503,802	(7,276)			

* These will mature latest by July 4, 2026 carrying effective yield rates ranging from 12.20%.

** This will mature latest by February 15, 2027 carrying effective yield rate of 12.31%.

*** These will mature latest by September 20, 2027 carrying effective yield rates ranging from 12.33%.

**** These will mature latest by October 13, 2027 carrying effective yield rates ranging from 12.33%.

***** These will mature latest by January 17, 2029 carrying effective yield rate of 12.38%.

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

5.3 Pakistan Investment Bonds - Floating Rate Bond (FRB)

Name of security	Tenor	Issue date	Maturity date	Profit rate (%)	Face Value			Balance as at December 31, 2024			Market value as a percentage of		
					As at July 01, 2024	Purchased during the period	Sold / matured 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)													
Pakistan Investment Bonds													
Pakistan Investment Bonds - FRB*	5 years	September 21, 2023	September 21, 2028	16.79%	-	3,589,000	1,589,000	2,000,000	1,957,808	1,959,200	1,392	7.08%	6.92%
Pakistan Investment Bonds - FRB**	5 years	April 18, 2024	April 18, 2029	14.15%	1,800,000	3,800,000	5,100,000	500,000	484,023	486,500	2,477	1.76%	1.72%
Pakistan Investment Bonds - FRB***	5 years	June 27, 2024	June 27, 2029	11.89%	-	34,625,000	31,125,000	3,500,000	3,383,246	3,383,100	(146)	12.22%	11.95%
Pakistan Investment Bonds - FRB****	5 years	October 3, 2024	October 3, 2029	15.25%	-	7,450,000	4,700,000	2,750,000	2,679,637	2,680,975	1,338	9.68%	9.47%
Pakistan Investment Bonds - FRB*****	5 years	September 5, 2024	September 5, 2029	17.70%	-	1,808,000	-	1,808,000	1,761,449	1,763,523	2,074	6.37%	6.23%
Pakistan Investment Bonds - FRB*****	10 years	July 25, 2019	July 25, 2029	20.43%	100,000	-	-	100,000	98,415	98,340	(75)	0.36%	0.35%
Pakistan Investment Bonds - FRB*****	10 years	August 22, 2019	August 22, 2029	21.15%	90,000	-	-	90,000	88,481	88,704	223	0.32%	0.31%
As at December 31, 2024									10,453,059	10,460,342	7,283		
As at June 30, 2024									1,916,491	1,924,997	8,506		

* These will mature latest by September 21, 2028 carrying effective yield rates ranging from 17.44% to 17.76%.

** This will mature latest by April 18, 2029 carrying effective yield rate of 15.21%.

*** This will mature latest by June 27, 2029 carrying effective yield rate of 12.89%.

**** These will mature latest by October 3, 2029 carrying effective yield rates ranging from 15.99% to 16.14%.

***** These will mature latest by September 5, 2029 carrying effective yield rates ranging from 18.29% to 18.67%.

***** This will mature latest by July 25, 2029 carrying effective yield rate of 20.99%.

***** This will mature latest by August 22, 2029 carrying effective yield rate of 20.05%.

5.4 GoP Ijarah Sukuks certificates

Name of security	Tenor	Issue date	Maturity date	Profit / yield rate %	Face value				Balance as at December 31, 2024			Market value as a percentage of	
					As at July 01, 2024	Purchased during the period	Sold / matured 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)				(Rupees in '000)			%	
GoP Ijarah Sukuk Certificates -PSX - FRR	1 year	March 15, 2024	March 15, 2025	18.55%	25,000	-	25,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR*	1 year	July 26, 2024	July 25, 2025	16.54%	-	25,000	-	25,000	22,936	23,588	652	0.09%	0.08%
GoP Ijarah Sukuk Certificates - XXVII - VRR	1 year	August 7, 2023	August 7, 2024	19.86%	65,000	-	65,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR	1 year	August 16, 2024	August 15, 2025	15.40%	-	50,000	50,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - VRR	1 year	September 18, 2024	September 17, 2025	14.48%	-	250,000	250,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXVIII - VRR	1 year	September 20, 2023	September 20, 2024	18.39%	225,000	-	225,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -XXXIX	1 year	October 9, 2023	October 9, 2024	20.94%	-	980,000	980,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR	1 year	October 21, 2024	October 20, 2025	11.43%	-	125,000	125,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR	1 year	November 7, 2024	November 6, 2025	10.72%	-	250,000	250,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XL - VRR	1 year	December 4, 2023	December 4, 2024	19.86%	150,000	-	150,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR	1 year	December 4, 2024	December 3, 2025	10.72%	-	500,000	500,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXXIII - FRR**	3 years	December 4, 2023	December 4, 2026	16.19%	225,000	-	50,000	175,000	175,153	186,638	11,485	0.67%	0.66%
GoP Ijarah Sukuk Certificates -PSX - FRR	3 years	January 24, 2024	January 24, 2027	16.05%	37,500	-	37,500	-	-	-	-	-	-

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

Name of security	Tenor	Issue date	Maturity date	Profit / yield rate %	Face value				Balance as at December 31, 2024			Market value as a percentage of	
					As at July 01, 2024	Purchased during the period	Matured / 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)				(Rupees in '000)			%	
GoP Ijarah Sukuk Certificates -PSX - VRR	3 years	January 24, 2024	January 24, 2027	21.11%	287,500	-	287,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV - FRR***	3 years	June 26, 2023	June 26, 2026	18.49%	600,000	-	-	600,000	615,715	654,900	39,185	2.37%	2.31%
GoP Ijarah Sukuk Certificates - XLI - VRR****	3 years	December 4, 2023	December 4, 2026	20.65%	200,000	-	-	200,000	199,715	204,300	4,585	0.74%	0.72%
GoP Ijarah Sukuk Certificates -PSX - FRR	3 years	June 28, 2024	June 28, 2027	15.80%	-	75,000	75,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR	3 years	September 18, 2024	September 18, 2027	13.89%	-	62,500	62,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - FRR	3 years	October 21, 2024	October 21, 2027	12.00%	-	250,000	250,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - VRR	3 years	June 28, 2024	June 28, 2027	19.64%	-	75,000	75,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - VRR	3 years	September 18, 2024	September 18, 2027	17.32%	-	62,500	62,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates -PSX - VRR	3 years	October 21, 2024	October 21, 2027	13.59%	-	250,000	250,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXXIV - FRR	5 years	December 4, 2023	December 4, 2028	15.75%	400,000	-	400,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - FRR	5 years	January 24, 2024	January 24, 2029	15.49%	812,500	-	812,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - FRR	5 years	June 28, 2024	June 28, 2029	15.10%	-	75,000	75,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - FRR	5 years	September 18, 2024	September 18, 2029	13.85%	-	62,500	62,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - FRR	5 years	October 21, 2024	October 21, 2029	12.53%	-	312,500	312,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XLII - VRR****	5 years	December 4, 2023	December 4, 2028	20.76%	250,000	-	-	250,000	250,354	260,074	9,720	0.94%	0.92%
GoP Ijarah Sukuk Certificates - PSX - VRR	5 years	January 24, 2024	January 24, 2029	21.24%	537,500	-	537,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - VRR	5 years	June 28, 2024	June 28, 2029	19.63%	-	75,000	75,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - VRR	5 years	September 18, 2024	September 18, 2029	17.49%	-	62,500	62,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - VRR	5 years	October 21, 2024	October 21, 2029	13.75%	-	312,500	312,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - FRR	10 years	September 18, 2024	September 18, 2034	13.04%	-	62,500	62,500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - PSX - FRR	10 years	September 18, 2024	September 18, 2034	17.62%	-	562,500	562,500	-	-	-	-	-	-
Total as at December 31, 2024									1,263,873	1,329,500	65,627		
Total as at June 30, 2024									3,808,750	3,841,253	32,503		

* This will mature latest by July 25, 2025 carrying effective yield rate of 16.54%.

** These will mature latest by December 4, 2026 carrying effective yield rate of 16.11%.

*** These will mature latest by June 26, 2026 carrying effective yield rate of 16.34%.

**** These will mature latest by December 4, 2026 carrying effective yield rate of 20.71%.

***** These will mature latest by December 4, 2028 carrying effective yield rate of 20.68%.

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

5.5	Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	December 31, 2024	December 31, 2023
			(Un-audited) ----- (Rupees in '000) -----	(Un-audited) ----- (Rupees in '000) -----
	Market value of investments	5.1, 5.2, 5.3 & 5.4	28,319,322	10,840,731
	Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	(27,975,538)	(10,840,331)
			<u>343,784</u>	<u>400</u>
6	PROFIT RECEIVABLES	Note	December 31, 2024	June 30, 2024
			(Un-audited) ----- (Rupees in '000) -----	(Audited) ----- (Rupees in '000) -----
	Profit receivable on:			
	- Pakistan Investment Bonds		352,237	153,721
	- Pakistan Investment Bonds - Floating Rate Bond (FRB)		338,058	93,749
	- GoP Ijarah Sukuks certificates		8,371	168,753
	- Savings accounts with banks		10,968	14,283
			<u>709,634</u>	<u>430,506</u>
7	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	December 31, 2024	June 30, 2024
			(Un-audited) ----- (Rupees in '000) -----	(Audited) ----- (Rupees in '000) -----
	Advance tax	7.1	14,139	4,431
	Security deposits with:			
	- Central Depository Company of Pakistan Limited (CDC)		100	100
	Prepayments		3	296
	Other receivables		24,766	1,044
			<u>39,008</u>	<u>5,871</u>
7.1	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, during prior years, withholding tax on interest on debt securities and profit on savings accounts with banks paid to the Fund was 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 withholders. The tax withheld on interest on debt securities and profit on savings accounts with banks amounts to Rs. 14.14 million (June 30, 2024: Rs. 4.43 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 interest on debt securities and profit on savings accounts with bank 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.			
8	PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	December 31, 2024	June 30, 2024
			(Un-audited) ----- (Rupees in '000) -----	(Audited) ----- (Rupees in '000) -----
	Management remuneration payable	8.1	53,311	9,137
	Sindh Sales Tax on management remuneration payable	8.2	7,997	1,188
	Allocated expenses payable	8.3	-	664
	Sindh Sales Tax on allocated expenses payable	8.4	-	-
	Selling and marketing expenses payable	8.5	-	7,215
	Sales load payable		169	720
			<u>61,477</u>	<u>18,924</u>

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

- 8.1** 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 rates ranging from 1.25% to 10.00% per annum of the gross earnings in the month of July 01, 2024 and August 31, 2024 (December 31, 2023: 0.10% to 10% per annum on gross earnings). As per the amendment in the offering document, the Management company with effect from September 01, 2024 has charged management fee at the rate upto 2.00% of Net assets of the schemes, calculated on daily basis. From September 01, 2024, the Management company has charged management fee ranging from 0.85% to 2.00% per annum of the daily net assets. The remuneration is payable to the Management Company monthly in arrears.
- 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. 37.17 million (December 31, 2023: Rs. 3.84 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. 30.36 million (December 31, 2023: Rs. 2.12 million) has been paid on account of sales tax on management fee to the Management Company which acts as a collecting agent.
- 8.3** 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 charged such expenses at the rates ranging from 0.02% to 0.25% (December 31, 2023: 0.15% to 1.88%) per annum of the average annual net assets of the Fund subject to not being higher than actual expenses.
- 8.4** The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby it is clarified that "consideration in money" also includes any amount of reimbursable expenditure and charged in the course of provision of a service. Accordingly, during the period, an amount of Rs. 1.14 million was charged on account of sales tax on allocated expenses being charged in the course of provision of service at the rate of 15% and an amount of Rs. 1.14 million has been paid on account of sales tax on allocated expense to the Management Company which acts as a collecting agent.
- 8.5** 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)
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
	Trustee remuneration payable	9.1	1,504
	Sindh Sales Tax payable on trustee remuneration	9.2	226
		<u>1,730</u>	<u>516</u>

- 9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (December 31, 2023: 0.065%) per annum of the average annual net assets of the Fund.
- 9.2** 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. 1.15 million (December 31, 2023: Rs. 0.16 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. 0.99 million (December 31, 2023: Rs. 0.10 million) was paid to the Trustee which acts as a collecting agent.

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
	Fee payable	10.1	2,050
		<u>2,050</u>	<u>623</u>

- 10.1** 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) at the rate of 0.075% per annum of the daily net assets of the Fund, applicable to an "Income Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (December 31, 2023: 0.075%) 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.

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)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for federal excise duty payable on			
- Remuneration of the Management Company	11.1	29,028	29,028
- Sales load		4,170	4,170
Brokerage payable		2,813	289
Withholding tax payable		58,285	37,619
Auditors' remuneration payable		518	760
Other payable		284	249
		<u>95,098</u>	<u>72,115</u>

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company 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. 33.198 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at December 31, 2024 would have been higher by Re. 0.07 (June 30, 2024: Rs. 0.16) per unit.

12 CONTINGENCIES AND COMMITMENTS

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

13 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the period ending December 31, 2024 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

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.

14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.30% (December 31, 2023: 2.38%) which includes 0.36% (December 31, 2023: 0.26%) representing Government Levy and SECP Fee etc. The prescribed limit for the ratio is 2.5% (December 31, 2023: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'Income scheme'.

**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)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
15 CASH AND CASH EQUIVALENTS			
Balances with banks	4	1,449,372	1,653,319
Market Treasury Bills	5.1	1,484,750	1,194,612
		<u>2,934,122</u>	<u>2,847,931</u>

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

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning 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 provision of the NBFC Regulations and the Offering document.

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

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

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

16.1 Details of transactions with the related parties / connected person are as follows:	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
	----- (Rupees in '000) -----	
MCB - Investment Management Limited - Management Company		
Remuneration of the Management Company (including indirect taxes)	284,978	33,414
Allocated expenses including (including indirect taxes)	8,725	2,588
Selling and marketing expenses	-	10,602
Units issued to unitholder on behalf of the Management Company*	582	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	8,842	1,358
Group / associated companies:		
MCB Bank Limited - Parent of the Management Company		
Profit on savings accounts with banks	936	389
Bank charges	19	7
Sale of securities nil (December 31, 2023 Rs. 1,533 million)	-	1,270,071

* 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.

16.2 Balances outstanding at period / year end	December 31, 2024 (Unaudited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
MCB Investment Management Limited - Management Company		
Management remuneration payable	53,311	9,137
Sindh Sales Tax payable on remuneration of the Management Company	7,997	1,188
Allocated expenses payable	-	664
Selling and marketing expenses payable	-	7,215
Sales load payable	169	720
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	1,504	457
Sindh Sales Tax payable on trustee remuneration	226	59

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

December 31,
2024
(Unaudited)
----- (Rupees in '000) -----

June 30,
2024
(Audited)

Group / associated companies:

MCB Bank Limited - Parent of the Management Company

Balances with banks

12,911

5,324

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

	Half year ended December 31, 2024							
	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 / group companies								
MCB Investment Management Limited	6,565,796	30,209,391	36,775,073	114	354,947	1,752,934	2,161,718	7
Lalpir Staff Provident Fund	-	2,297,540	-	2,297,540	-	134,313	-	138,496
Adamjee Life Assurance Company Limited Conventional Business	-	8,509,460	8,450,117	59,343	-	501,180	507,399	3,577
MCB Employees Provident Fund	16,098,714	17,887	-	16,116,601	870,296	966	-	971,509
Adamjee Insurance Company Limited	-	1,338,808	1,338,808	-	-	75,000	79,498	-
Nishat Mills Limited Employees Provident Fund Trust	-	52,629,753	52,629,753	-	-	3,127,500	3,162,717	-
Adamjee Life Assurance Company Limited	-	756,546	756,546	-	-	44,900	44,939	-
D.G. Khan Cement Company Limited	9	-	-	9	1	-	-	1
Adamjee Life Insurance Company Limited - Employees Gratuity Fund	421,385	8,239,778	8,661,163	-	22,780	463,455	504,129	-
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	2	-	2	-	0	-	-
Adamjee Insurance Company Limited Employees Provident Fund	-	4	-	4	-	0	-	-
Security General Insurance Company Limited Employees Provident Fund Trust	-	47	-	47	-	3	-	3
Adamjee Life Assurance Company Limited	113,194	94	-	113,288	6,119	5	-	6,829
Nishat Power Limited	-	18,283,320	18,283,320	-	-	1,080,910	1,091,179	-
Mandate under discretionary portfolio services	4,149,701	16,199,464	20,303,589	45,576	224,333	930,478	1,161,600	2,747
Key management personnel	293,842	11,107,298	11,391,518	9,622	15,885	563,536	674,572	580
Unitholders holding 10% or more	-	-	-	-	-	-	-	-

	Half year ended December 31, 2023							
	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 / group companies								
D.G. Khan Cement Company Limited	8	-	-	8	-	-	-	-
MCB Investment Management Limited	-	24,807,991	23,875,249	932,742	-	1,433,721	1,389,829	56,226
Adamjee Life Insurance Company Limited - Employees Gratuity Fund	-	913,910	913,910	-	-	50,000	50,393	-
Adamjee Life Assurance Company Limited	-	117,568	-	117,568	-	7,000	-	7,087
Adamjee Life Assurance Company Limited Managed Growth Fund	-	16,795	-	16,795	-	1,000	-	1,012
Adamjee Life Assurance Company Limited Conventional Business	-	7,509,414	7,509,414	-	-	443,206	444,707	-
MCB Employees Provident Fund	-	13,366,750	-	13,366,750	-	800,000	-	805,748
Mandate under discretionary portfolio services	-	15,640,367	7,627,766	8,012,601	-	903,229	446,122	483,000
Key management personnel	-	6,598,742	1,435,875	5,162,867	-	390,871	83,841	311,218
Unitholders holding 10% or more	3,825,944	-	3,825,944	-	206,831	-	206,831	-

17 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.

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

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

17.1 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'				
Market Treasury Bills	-	9,951,858	-	9,951,858
Pakistan Investment bonds	-	6,577,622	-	6,577,622
Pakistan Investment bonds - Floating Rate Bond	-	10,460,342	-	10,460,342
GoP Ijarah Sukuks certificates	23,588	1,305,912	-	1,329,500
	23,588	28,295,734	-	28,319,322

June 30, 2024				
Audited				
ASSETS	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	2,498,037	-	2,498,037
Pakistan Investment bonds	-	2,503,802	-	2,503,802
Pakistan Investment bonds - Floating Rate Bond	-	1,924,997	-	1,924,997
GoP Ijarah Sukuks certificates	1,699,127	2,142,126	-	3,841,253
	1,699,127	9,068,962	-	10,768,089

During the period ended December 31, 2024 and year ended June 30, 2024, there were no transfer between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

18 GENERAL

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

19 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.

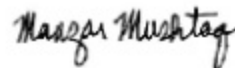
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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

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

URL: www.mcbfunds.com, **Email:** info@mcbfunds.com