MCB FUNDS
Investments for Life

ANNUAL REPORT 2024

Funds Under Management of
MCB Investment Management Limited

ALHAMRA

VSAVE
Savings Asaan, Life Asaan

MCB DCF FIXED RETURN FUND

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FUND'S INFORMATION

Management Company	**MCB Investment Management Limited** Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid	Chairman
	Mr. Shoaib Mumtaz	Director
	Mr. Khawaja Khalil Shah	Chief Executive Officer
	Mr. Ahmed Jahangir	Director
	Mr. Manzar Mushtaq	Director
	Mr. Fahd Kamal Chinoy	Director
	Syed Savail Meekal Hussain	Director
	Ms. Mavra Adil Khan	Director
Audit Committee	Syed Savail Meekal Hussain	Chairman
	Mr. Ahmed Jahangir	Member
	Mr. Manzar Mushtaq	Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy	Chairman
	Mr. Ahmed Jahangir	Member
	Mr. Shoaib Mumtaz	Member
	Ms. Mavra Adil Khan	Member
	Mr. Khawaja Khalil Shah	Member
Credit Committee	Mr. Ahmed Jahangir	Member
	Mr. Manzar Mushtaq	Member
	Syed Savail Meekal Hussain	Member
	Mr. Khawaja Khalil Shah	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	
Auditors	**Yousuf Adil** Chartered Acountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-75350.	
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 YEAR ENDED JUNE 30, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Fixed Return Plans** under *MCB DCF Fixed Return Fund* accounts review for the year ended June 30, 2024.

Economy Review

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

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

Country posted a current account deficit (CAD) of USD 464 million in the first eleven months of the fiscal year 2024 (11MFY24) declining by 88% YoY compared to a deficit of USD 3. 8 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 11.3% increase in exports coupled with an 2.3% drop in imports led to a 17.0% contraction in the trade deficit. The county's external position improved with SBP's foreign exchange reserves increasing to USD 9.4 billion as of June 2024 compared to USD 4.4 billion at the end of last fiscal year. This was on account of flows from the IMF, friendly countries and multilateral sources.

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

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

Fund Performance

MCB DCFFRP I was launched on April 26, 2024 with a promised return of 20%. The fund will mature on October 31, 2024

MCB DCFFRP II was launched on May 24, 2024 with a promised return of 20%. The fund will mature on October 31, 2024

MCB DCFFRP III was launched on June 25, 2024 with a promised return of 20.65%. The fund will mature on July 11, 2024

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 3.5% in FY25 after a disappointing performance last year where the GDP increased by only 2.4%. The outlook for industrial output is relatively optimistic with an expected growth of 4.0% compared to 1.2% last year. Macroeconomic stability, stable currency and decline in interest rates will help revive the industrial and service sector growth. Agriculture performance is likely to remain on the lower side due to high base effect.

A new staff-level loan agreement has been reached between Pakistan and the International Monetary Fund (IMF) under which the country will receive USD 7.0 billion over 37 months. The final approval of the loan will be given by the IMF Executive Board. Successful continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. However, our external position still remains precarious due to debt outflows and our inability to raise funds through international Eurobond or Sukuk. Thus, we would continue to run a sustainable current account this year to stave off external concerns. We expect a CAD of USD 1.0 billion (0.2% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella.

The USD PKR is expected to remain stable as the government is focusing on improving current account deficit on the back of recovery in export and remittances. Entry into the new IMF program will also increase visibility on the external funding. We expect USD/PKR to close the fiscal year around PKR 311.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in June 2024 clocked of 12.6% compared to a high of 38.0% in May 2023. The core inflation also registered a significant slowdown, clocking at 14.1% which is a low of 23 months. The inflation reading is expected to decline to single digits in 1HFY25. Keeping in view the inflationary trends, external and fiscal position we expect interest rate to decline to 14-15% by June 25.

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

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 64.6% during FY24 to PKR 2,574 billion. Total money market funds grew by about 45.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 33.0% to PKR 629 billion while Islamic funds increased by 58.2% to PKR 679 billion. In addition, the total fixed Income funds increased by about 104.7% since June 2023 to PKR 756 billion while Equity and related funds increased by 52.3% to PKR 255 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 50.8%, followed by Income funds with 37.3% and Equity and Equity related funds having a share of 9.9% as at the end of June 30 2024.

Mutual Fund Industry Outlook

Both Bonds and Equities are likely to do well in the next year on the back of cut in interest rates. During the year, significant interest of investors is already visible in Income Funds while equity fund is likely to see inflows post new IMF agreement. Relatively High interest rates during the period would encourage sustained flows in the money market funds as they are ideal for investors with a short-term horizon and low risk profile.

Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

MANAGEMENT COMPANY

On April 18, 2023, MCB Bank Limited (MCB), being the parent company of MCB-Arif Habib Savings and Investments Limited, has acquired 21,664,167 (30.09%) shares of MCB-Arif Habib Savings & Investment Limited (MCB-AH) from Arif Habib Corporation Limited (AHCL). By virtue of this transaction MCB Bank Limited's shareholding in MCB-AH has increased from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH.

Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 07, 2023 have resolved via special resolution that the name of the Company be changed from MCB-Arif Habib Savings and Investments Limited to MCB Investment Management Limited and Securities and Exchange Commission of Pakistan (SECP) has approved the change in name on August 15, 2023.

CORPORATE GOVERNANCE

The Fund is committed to implement the highest standards of corporate governance. The Board comprises of eight (8) members including the Chief Executive Officer (CEO) and has a diverse mix of gender and knowledge. The Board consists of 1 female and 7 male directors, categorized as follows:

- 4 Non – Executive Directors;
- 3 Independent Directors; and
- 1 Executive Director (CEO).

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Shoaib Mumtaz	Non-Executive Director	HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	HR&R* Committee Audit Committee
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	Audit Committee (Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman)
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee
8.	Mr. Khawaja Khalil Shah	Executive Director	HR&R* Committee

* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance, which clearly defines the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;

b. Proper books of accounts of the fund have been maintained;

c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.;

e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;

f. There are no significant doubts upon the fund's ability to continue as going concern;

g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;

h. The outstanding taxes, statutory charges and duties, if any, have been fully disclosed in the audited financial statements;

i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.

j. As at June 30, 2024, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 20 of the Code;

k. The detailed pattern of shareholding as on June 30, 2024 is annexed;

l. A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and Committees of the Board;

m. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below are the details of committee meetings held during the year ended June 30, 2024:

1. **Meeting of the Audit Committee**.

During the year, four (4) meetings of the Audit Committee were held. The attendance of each participant is as follows:

	Name of Persons	Number of meetings held	Number of meetings		
			Attendance required	Attended	Leave granted
1.	Syed Savail Meekal Hussain	4	4	4	0
2.	Mr. Ahmed Jahangir	4	4	4	0
3.	Mr. Manzar Mushtaq	4	4	4	0

2. **Meeting of the Human Resource and Remuneration Committee**.

During the year, two (2) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

	Name of Persons	Number of meetings	Number of meetings		
			Attendance required	Attended	Leave granted
1.	Mr. Fahd Kamal Chinoy	2	2	2	-

2.	Mr. Shoaib Mumtaz	2	2	2	-
3.	Mr. Ahmed Jahangir	2	2	1	1
4.	Ms. Mavra Adil Khan	2	2	1	1

n. No trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

EXTERNAL AUDITORS

The Fund's external auditor's **M/s. Yousuf Adil Chartered Accountants** have retired after completion of audit for Financial Year ended June 30, 2024 The Audit Committee has recommended re-appointment of **M/s. Yousuf Adil Chartered Accountants** as external auditors of the Fund for financial year ending June 30, 202 5and the Board has also endorsed the recommendation of the Audit Committee. **M/s. Yousuf Adil Chartered Accountants** has also expressed their willingness to act as the Fund's external auditors.

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	Manzar Mushtaq **Manzar Mushtaq**
Chief Executive Officer	Director
September 25, 2024	September 25, 2024

اعتراف

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

ڈائریکٹرز کی جانب سے،

خواجہ خلیل شاہ	منظر مشتاق
چیف ایگزیکٹو آفیسر	ڈائریکٹر
25 ستمبر 2024	25 ستمبر 2024

2	جناب احمد جہانگیر	4	4	4	0
3	جناب منظر مشتاق	4	4	4	0

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

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

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

n. ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرنل آڈیٹر اور ان کی شریک حیات اور نابالغ بچوں کے ذریعہ سال کے دوران فنڈ کے یونٹس میں کوئی تجارت نہیں کی گئی۔

بیرونی آڈیٹرز

فنڈ کے بیرونی آڈیٹر ایم ایس یوسف عادل چارٹرڈ اکاؤنٹنٹس 30 جون 2024 کو ختم ہونے والے مالی سال کے آڈٹ کی تکمیل کے بعد اپنا کام مکمل کر چکے ہیں۔ آڈٹ کمیٹی نے سفارش کی ہے کہ ایم ایس یوسف عادل چارٹرڈ اکاؤنٹنٹس کا 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے فنڈ کے بیرونی آڈیٹرز کے طور پر دوبارہ انتخاب کیا جائے اور بورڈ نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔ ایم ایس یوسف عادل چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے بیرونی آڈیٹرز کے طور پر کام کرنے پر آمادگی ظاہر کی ہے۔

g. لسٹنگ ریگیولیشن میں واضح کردہ کارپوریٹ گورننس کی بہترین رہایات سے کوئی قابل زکر انحراف نہیں ہوا ہے۔

h. واجب الاداٹیکس، قانونی چارجز اور ڈیوٹیز، اگر کوئی ہیں، مکمل طور پر آڈٹ شدہ مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔

i. پراویڈنٹ/گریچوٹی اور پنشن فنڈ کی سرمایہ کاری کی قدر کا بیان فنڈ پر لاگو نہیں ہوتا لیکن مینجمنٹ کمپنی پر لاگو ہوتا ہے۔ اس لیے ڈائریکٹرز کی رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے۔

j. 30 جون 2024 تک، کمپنی ڈائریکٹرز کے تربیتی پروگرام کے تقاضوں کی تعمیل کر رہی ہے، جیسا کہ کوڈ کے ریگیولیشن نمبر 20 میں موجود ہے۔

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

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

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

1. آڈٹ کمیٹی کا اجلاس۔

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

	افراد کے نام	منعقد ہونے والی ملاقاتوں کی تعداد	ملاقاتوں کی تعداد		
			مطلوبہ حاضری	حاضری	منظور شدہ رخصت
1	سید ساویل میکال حسین	4	4	4	0

6	جناب فہد کمال چنائے	خودمختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)
7	محترمہ ماورا عادل خان	خودمختار ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی

*ایچ آر اینڈ آر کا مطلب ہیومن ریسورس اور معاوضہ ہے۔

انتظامیہ کارپوریٹ گورننس کے ضابطہ میں متعین بہترین طریقوں کی دفعات کی تعمیل جاری رکھے ہوئے ہے جس میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی واضح وضاحت کی گئی ہے۔

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ:

a. مالیاتی بیانات کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کے آمدورفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

b. فنڈ کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں۔

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

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

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

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

کی MCB-AH میں حصص یافتگی 36,956,935 (81.42 فیصد) ہو گئی ہے اور AHCL اب MCB-AH میں حصص کا حامل نہیں ہے۔

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

کارپوریٹ گورننس

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

- 4 نان-ایگزیکٹو ڈائریکٹرز؛
- 3 خودمختار ڈائریکٹرز؛ اور
- 1 ایگزیکٹو ڈائریکٹر (CEO)۔

مندرجہ بالا تفصیلات درج ذیل ہیں:

سیریل نمبر	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
1	ہارون رشید صاحب	نان ایگزیکٹو ڈائریکٹر	کوئی نہیں
2	جناب شعیب ممتاز	نان ایگزیکٹو ڈائریکٹر	*ایچ آر اینڈ آر کمیٹی
3	جناب احمد جہانگیر	نان ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی آڈٹ کمیٹی
4	جناب منظر مشتاق	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5	سید ساویل میکال حسین	خودمختار ڈائریکٹر	آڈٹ کمیٹی (چیئرمین)

سود کی شرح کے نقطہ نظر کے تناظر میں سرمائے میں اضافے کے مواقع پیدا کرے گی۔ ہم نے انکم فنڈز میں سرکاری بانڈز شامل کیے ہیں تاکہ قریب کی مدت میں متوقع مالیاتی نرمی سے فائدہ اٹھایا جا سکے۔

میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈز انڈسٹری کے خالص اثاثے مالی سال 2024 کے دوران تقریباً 64.6 فیصد بڑھ کر 2,574 بلین روپے ہو گئے۔ جون 2023 کے بعد سے کل منی مارکیٹ فنڈز میں تقریباً 45.0 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرے میں، روایتی فنڈز نے 33.0 فیصد اضافے سے بڑھ کر PKR 629 بلین ہو گئے جبکہ اسلامک فنڈز 58.2 فیصد بڑھ کر PKR 679 بلین ہو گئے۔ اس کے علاوہ، کل فکسڈ انکم فنڈز جون 2023 سے تقریباً 104.7 فیصد بڑھ کر PKR 756 بلین ہو گئے جبکہ ایکویٹی اور متعلقہ فنڈز 52.3 فیصد اضافے سے PKR 255 بلین ہو گئے۔

سیگمنٹ شیئر کے لحاظ سے، منی مارکیٹ فنڈز تقریباً 50.8 فیصد کے شیئر کے ساتھ سرفہرست تھے، اس کے بعد انکم فنڈز 37.3% کے ساتھ اور ایکویٹی اور ایکویٹی سے متعلق فنڈز کا حصہ 9.9 فیصد کے ساتھ 30 جون 2024 کا اختتام ہوا۔

میوچل فنڈ انڈسٹری آؤٹ لک

سود کی شرح میں کمی کی وجہ سے بانڈز اور ایکویٹیز دونوں اگلے سال میں اچھی کارکردگی کا مظاہرہ کریں گے۔ سال کے دوران، انکم فنڈز میں سرمایہ کاروں کی نمایاں دلچسپی پہلے ہی نظر آ رہی ہے جبکہ ایکویٹی فنڈ میں آئی ایم ایف کے نئے معاہدے کے بعد آمد کا امکان ہے۔ اس مدت کے دوران نسبتاً زیادہ شرح سود منی مارکیٹ کے فنڈز میں مسلسل بہاؤ کی حوصلہ افزائی کرے گی کیونکہ یہ مختصر مدت کے افق اور کم رسک پروفائل والے سرمایہ کاروں کے لیے مثالی ہیں۔

ہمارے کام بغیر کسی رکاوٹ کے رہے اور ڈیجیٹل رسائی اور آن لائن کسٹمرز کے تجربے میں مسابقتی برتری کے پیش نظر، ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد کے فوائد حاصل کرنے کے لیے تیار ہیں۔

مینجمنٹ کمپنی

18 اپریل 2023 کو ایم سی بی-عارف حبیب سیونگس اینڈ انویسٹمنٹس لمیٹڈ (MCB-AH) کی parent کمپنی ایم سی بی بینک (MCB) نے عارف حبیب کارپوریشن لمیٹڈ (AHCL) سے ایم سی بی-عارف حبیب سیونگس اینڈ انویسٹمنٹس لمیٹڈ کے 21,664,167 (30.09 فیصد) حصص حاصل کر لیئے ہیں۔ اس پیش رفت کے بعد MCB

معیشت اور مارکیٹ ــ مستقبل کا آؤٹ لک

پاکستان کی جی ڈی پی گزشتہ سال کی مایوس کن کارکردگی جہاں جی ڈی پی میں صرف 2.4 فیصد اضافہ ہوا تھا اس سال FY24 میں 3.5 فیصد تک واپس آنے کی توقع ہے۔ گزشتہ سال 1.2 فیصد کے مقابلے میں 4.0 فیصد کی متوقع نمو کے ساتھ صنعتی پیداوار کے لیے آؤٹ لک نسبتاً پر امید ہے۔ معاشی استحکام، مستحکم کرنسی اور شرح سود میں کمی سے صنعتی اور سروس سیکٹر کی نمو کو بحال کرنے میں مدد ملے گی۔ اعلی بنیاد کے اثر کی وجہ سے زراعت کی کارکردگی نچلی طرف رہنے کا امکان ہے۔

پاکستان اور انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے درمیان عملے کی سطح پر قرض کا نیا معاہدہ طے پا گیا ہے جس کے تحت ملک کو 37 ماہ کے دوران 7.0 بلین امریکی ڈالرملیں گے۔ قرض کی حتمی منظوری آئی ایم ایف کا ایگزیکٹو بورڈ دے گا۔ آئی ایم ایف پروگرام کا کامیاب تسلسل ایک اہم مثبت ہے کیونکہ یہ ہمیں دوطرفہ اور کثیر جہتی ذرائع سے فنڈنگ حاصل کرنے کی اجازت دے گا۔ تاہم، قرضوں کے اخراج اور بین الاقوامی یورو بانڈ یا سکوک کے ذریعے فنڈز اکٹھا کرنے میں ہماری ناکامی کی وجہ سے ہماری بیرونی پوزیشن اب بھی غیر یقینی ہے۔ اس طرح، ہم بیرونی خدشات کو دور کرنے کے لیے اس سال ایک پائیدار کرنٹ اکاؤنٹ چلاتے رہیں گے۔ ہمیں مالی سال 25 میں USD 1.0 بلین (GDP کا 0.2%) کی CAD کی توقع ہے کیونکہ IMF کی چھتری کے تحت استحکام کی پالیسی جاری رہنے کا امکان ہے۔

PKR USD کے مستحکم رہنے کی توقع ہے کیونکہ حکومت برآمدات اور ترسیلات زر میں بحالی کی پشت پر کرنٹ اکاؤنٹ خسارے کو بہتر بنانے پر توجہ دے رہی ہے۔ آئی ایم ایف کے نئے پروگرام میں داخلے سے بیرونی فنڈنگ کی نمائش میں بھی اضافہ ہوگا۔ ہمیں توقع ہے کہ PKR/ USD مالی سال کو PKR 311 پر بند کرے گا۔

بنیادی اثر اور نسبتاً مستحکم کرنسی کی وجہ سے افراط زر کی شرح میں کمی آنا شروع ہوگئی ہے۔ جون 2024 میں ہیڈ لائن افراط زر کی تعداد مئی 2023 میں 38.0 فیصد کی بلند ترین سطح کے مقابلے میں 12.6 فیصد تک پہنچ گئی۔ بنیادی افراط زر میں بھی نمایاں کمی درج کی گئی، جو 14.1 فیصد پر پہنچ گئی جو کہ 23 ماہ کی کم ترین سطح ہے۔ 1HFY25 میں افراط زر کی ریڈنگ سنگل ہندسوں تک گرنے کی توقع ہے۔ افراط زر کے رجحانات، بیرونی اور مالیاتی پوزیشن کو مدنظر رکھتے ہوئے ہم توقع کرتے ہیں کہ 25 جون تک شرح سود 14-15 فیصد تک گر جائے گی۔

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

مقابلے میں ملک کی بیرونی صورتحال میں بہتری کو ظاہر کرتے ہیں۔ یہ آئی ایم ایف، دوست ممالک اور کثیر جہتی ذرائع سے آنے والے بہاؤ کی وجہ سے تھا۔

مالی سال 2024 کے دوران CPI کی طرف سے پیش کردہ ہیڈ لائن افراط زر کی اوسط 23.9 فیصد رہی جو گزشتہ سال 29.0 فیصد تھی۔ افراط زر کی شرح بلندی پر رہی کیونکہ سابقہ ادوار میں کرنسی کی قدر میں زبردست کمی کی وجہ سے توانائی اور خوراک کی قیمتوں میں اضافہ ہوا۔ حکومت نے آئی ایم ایف کی شرائط پر عمل کرنے کے لیے بجلی کے بنیادی ٹیرف اور گیس کی قیمتوں میں بھی اضافہ کیا، جس سے مہنگائی کا دباؤ مزید بڑھ گیا۔ اسٹیٹ بینک نے 10 جون 2024 کو منعقدہ سال کی آخری مانیٹری پالیسی میں پالیسی ریٹ کو 150bps سے کم کر کے 20.5 فیصد کر دیا۔ مانیٹری پالیسی نے افراط زر میں نمایاں کمی کو نوٹ کیا، جس کے نتیجے میں کافی حد تک مثبت حقیقی سود کی شرح ہوئی، جو مانیٹری سائیکل شروع کرنے کا جواز فراہم کرتی ہے۔

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

فنڈ کی کارکردگی

ایم سی بی ڈی سی ایف ایف آر پی -I کا آغاز 26 اپریل 2024 کو 20 فیصد کے ریٹرن کے وعدے کے ساتھ شروع کیا گیا تھا۔ فنڈ 31 اکتوبر 2024 کو میچور ہو جائے گا۔

ایم سی بی ڈی سی ایف ایف آر پی -II 24 مئی 2024 کو 20 فیصد کے ریٹرن کے وعدے کے ساتھ شروع کیا گیا تھا۔ فنڈ 31 اکتوبر 2024 کو میچور ہو جائے گا۔

ایم سی بی ڈی سی ایف آر پی -III 25 جون 2024 کو 20.65 فیصد کے ریٹرن کے وعدے کے ساتھ شروع کیا گیا تھا۔ فنڈ 11 جولائی 2024 کو میچور ہو جائے گا۔

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے ایم سی بی ڈی سی ایف فکسڈ ریٹرن پلانز کے 30 جون 2024 کو ختم ہونے والے سال کے اکاؤنٹس کا جائزہ پیش کرنے پر خوشی ہے۔

معیشت کا جائزہ

مالی سال 2024 پاکستان کے لیے میکرو اکنامک بحالی کا ایک دور تھا، جس نے مسلسل معاشی بدانتظامی کی وجہ سے ہونے والے ڈیفالٹ کو روک دیا۔ یہ تبدیلی بنیادی طور پر پاکستان کے کئی ماہ کی تاخیر کے بعد آئی ایم ایف کے نئے پروگرام میں داخل ہونے کی وجہ سے تھی۔ حکومت نے 23 جون میں IMF سے USD 3.0 بلین کی انتہائی ضروری اسٹینڈ بائی ارینجمنٹ (SBA) کی سہولت حاصل کی، اور دوست ممالک سے بروقت رول اوور حاصل کرنے میں کامیاب ہوئی۔ اس نے آئی ایم ایف کے اہداف کی تعمیل کرنے کے لیے غیر متزلزل عزم کا بھی اظہار کیا اور اس کے نتیجے میں حکومت نے اس پروگرام کو کامیابی سے مکمل کر لیا۔

نگراں حکومت نے اگست 2023 میں اقتدار سنبھالا اور فوری طور پر کرنسی پر قیاس آرائی کے دباؤ کا سامنا کرنا پڑا، جس کی وجہ سے یہ انٹربینک مارکیٹ میں 307 کی بلند ترین سطح پر پہنچ گئی۔ غیر رسمی مارکیٹ میں زر مبادلہ کی شرح 330 USD/PKR کے قریب پہنچ گئی جو قیاس آرائیوں کی سرگرمیوں میں اضافے اور غیر یقینی کی صورتحال کی عکاسی کرتی ہے۔ حکومت نے ستمبر 2023 میں ڈالر کی اسمگلنگ، افغان ٹرانزٹ کے غلط استعمال اور غیر قانونی کرنسی ڈیلرز کے خلاف فیصلہ کن اقدامات کیے، جس سے شرح مبادلہ میں تیزی سے بحالی ہوئی۔ اس سے اعتماد کو بہتر بنانے میں مدد ملی اور اوپن اور انٹربینک ریٹ میں اسپریڈ کو کم کیا گیا۔ حکام نے مجموعی بیرونی توازن کو منظم کرنے کے لیے شرح مبادلہ کی ادائیگیوں کی سختی سے نگرانی کرنے کے لیے میکانزم بھی بنائے۔ انتظامیہ کے اقدامات اور بیرونی اور مالی کھاتوں کے نظم وضبط کے اقدامات دونوں کے امتزاج نے مجموعی استحکام کو بحال کرنے میں مدد کی۔ PKR USD سال کے آغاز سے 2.6 فیصد اضافے کے ساتھ 278.3 پر سال کا اختتام ہوا۔

ملک نے مالی سال 2024 (11MFY24) کے پہلے گیارہ مہینوں میں 464 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو گزشتہ سال کی اسی مدت میں USD 3.8 بلین کے خسارے کے مقابلے میں 88 فیصد کم ہے۔ تجارتی خسارہ کم ہونا CAD کو بہتر بنانے میں اہم کردار ادا کرنے والا تھا کیونکہ برآمدات میں 11.3 فیصد اضافہ اور درآمدات میں 2.3 فیصد کمی سے تجارتی خسارے میں 17.0 فیصد کمی واقع ہوئی۔ جون 2024 تک اسٹیٹ بینک کے زرمبادلہ کے ذخائر بڑھ کر 9.4 بلین امریکی ڈالر ہو گئے جو کہ گزشتہ مالی سال کے اختتام پر 4.4 بلین امریکی ڈالر کے

Fund Type and Category

MCB Pakistan DCF Fixed Return Plan I Fixed Rate / Return Plan.

Fund Benchmark

Up to Fifteen months average PKRV rates based on the duration of the Portfolio.

Investment Objective

The Objective of MCB DCF Fixed Return Plan I (MCB DCFFRP I) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Manager's Review

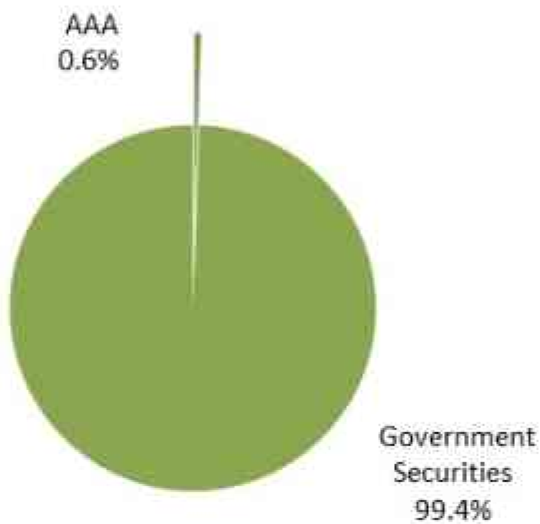
The fund was launched on 26th April 2024. The fund posted an Annualized return of 20.63% during the period under review against the benchmark return of 19.83%. Exposure in T-Bills was 99.4%.

The Net Assets of the Fund as at June 30, 2024 stood at Rs. 1,254 million and the Net Asset Value (NAV) per unit was Rs. 100.2094

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

Asset Allocation (%age of Total Assets)	Jun-24
Cash	0.6%
T-Bills	99.4%
Others including receivables	0.0%

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



Syed Mohammad Usama Iqbal
Fund Manager

Fund Type and Category

MCB Pakistan DCF Fixed Return Plan II Fixed Rate / Return Plan.

Fund Benchmark

Up to Eighteen months average PKRV rates based on the duration of the Portfolio.

Investment Objective

The Objective of MCB DCF Fixed Return Plan II (MCB DCFFRP II) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Manager's Review

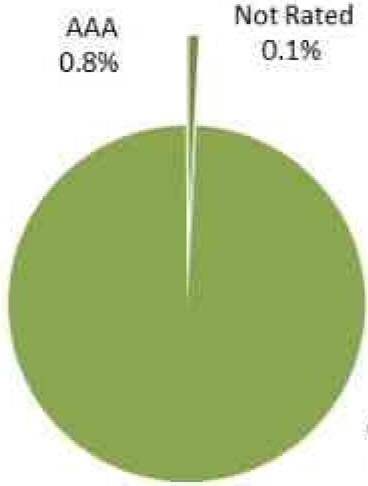
The fund was launched on 24th May 2024. The fund posted an Annualized return of 21.69% during the period under review against the benchmark return of 19.38%. Exposure in T-Bills was 99.1%.

The Net Assets of the Fund as at June 30, 2024 stood at Rs. 1,420 million and the Net Asset Value (NAV) per unit was Rs. 100.2126

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

Asset Allocation (%age of Total Assets)	Jun-24
Cash	0.8%
T-Bills	99.1%
Others including receivables	0.1%

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



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Syed Mohammad Usama Iqbal
Fund Manager

Fund Type and Category

MCB Pakistan DCF Fixed Return Plan III Fixed Rate / Return Plan.

Fund Benchmark

Up to Twenty-one months average PKRV rates based on the duration of the Portfolio.

Investment Objective

The Objective of MCB DCF Fixed Return Plan III (MCB DCFFRP III) is to provide promised fixed return to the Unit Holders at maturity by investing in short term Fixed Income Securities.

Manager's Review

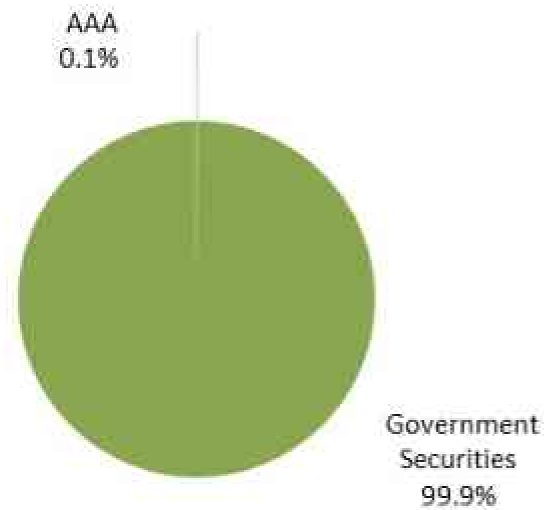
The fund was launched on 25th June 2024. The fund posted an Annualized return of 23.84% during the period under review against the benchmark return of 18.82%. Exposure in T-Bills was 99.9%.

The Net Assets of the Fund as at June 30, 2024 stood at Rs. 2,007 million and the Net Asset Value (NAV) per unit was Rs. 100.1671

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

Asset Allocation (%age of Total Assets)	Jun-24
Cash	0.1%
T-Bills	99.9%
Others including receivables	0.0%

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



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Syed Mohammad Usama Iqbal
Fund Manager

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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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 DCF FIXED RETURN FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB DCF Fixed Return 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 period from April 25, 2024 to June 30, 2024 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 10, 2024

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
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Pakistan

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INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF MCB DCF FIXED RETURN FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MCB DCF Fixed Return Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the period from April 25, 2024 to June 30, 2024 (the period) and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and MCB Investment Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Responsibilities of Management Company and Board of Directors of the Management Company for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.

- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: October 02, 2024
UDIN: AR202410057x9oEglHf7

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	June 30, 2024			
		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
		(Rupees '000')			
ASSETS					
Bank balances	4	7,098	12,049	1,460	20,607
Investments	5	1,255,134	1,409,684	2,004,696	4,669,514
Profit receivable on bank deposit		112	210	1,045	1,367
Total assets		1,262,344	1,421,943	2,007,201	4,691,488
LIABILITIES					
Payable to MCB Investment Management Limited - Management Company	6	2,236	1,329	-	3,565
Payable to Central Depository Company of Pakistan Limited - Trustee	7	63	73	20	156
Payable to Securities and Exchange Commission of Pakistan	8	77	89	25	191
Dividend payable		6,286	-	-	6,286
Accrued expense and other liabilities	9	-	12	10	22
Total liabilities		8,662	1,503	55	10,220
NET ASSETS		1,253,682	1,420,440	2,007,146	4,681,268
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,253,682	1,420,440	2,007,146	4,681,268
CONTINGENCIES AND COMMITMENTS	10				
		(Number of units)			
NUMBER OF UNITS IN ISSUE		12,510,615	14,174,263	20,037,978	46,722,856
		(Rupees)			
NET ASSETS VALUE PER UNIT		100.2094	100.2126	100.1671	

The annexed notes 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Maazar Mushtaq

Director

INCOME STATEMENT
FOR THE PERIOD STARTING APRIL 25, 2024 TO JUNE 30, 2024

	Note	For the period from April 25, 2024 To June 30, 2024	For the period from May 23, 2024 To June 30, 2024	For the period from June 24, 2024 To June 30, 2024	
		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
		(Rupees '000')			
INCOME					
Investments at fair value through profit or loss:					
- Net capital gain on sale of investments		-	54	-	54
- Income from government securities		45,700	31,093	6,795	83,588
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.2	584	1,544	21	2,149
Profit on bank deposits		1,431	1,043	1,045	3,519
Total income		47,715	33,734	7,861	89,310
EXPENSES					
Remuneration of MCB Investment Management Limited - Management Company	6.1	1,267	715	-	1,982
Sindh Sales Tax on remuneration of Management Company	6.2	165	93	-	258
Allocated expenses	6.3	178	120	-	298
Selling and marketing expense	6.4	626	401	-	1,027
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	123	83	18	224
Sindh Sales Tax on remuneration of the Trustee	7.2	16	11	2	29
Securities and Exchange Commission of Pakistan fee	8	167	113	25	305
Brokerage, bank charges and others		2	3	-	5
Total operating expenses		2,544	1,539	45	4,128
Net income for the period before taxation		45,171	32,195	7,816	85,182
Taxation	13	-	-	-	-
Net income for the period after taxation		45,171	32,195	7,816	85,182
Allocation of net income for the period					
Net income for the period after taxation		45,171	32,195	7,816	85,182
Income already paid on units redeemed		-	(46)	-	(46)
		45,171	32,149	7,816	85,136
Accounting income available for distribution					
Relating to capital gains		584	1,595	21	2,203
Excluding capital gains		44,587	30,554	7,795	82,933
		45,171	32,149	7,816	85,136
Earnings per unit	3.10				

The annexed notes 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)

Chief Executive Officer | Chief Financial Officer | Director

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD STARTING APRIL 25, 2024 TO JUNE 30, 2024

	For the period from April 25, 2024 To June 30, 2024	For the period from May 23, 2024 To June 30, 2024	For the period from June 24, 2024 To June 30, 2024	
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
	---------------------------- (Rupees '000') ----------------------------			
Net income for the period after taxation	**45,171**	**32,195**	**7,816**	**85,182**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**45,171**	**32,195**	**7,816**	**85,182**

The annexed notes 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE PERIOD STARTING APRIL 25, 2024 TO JUNE 30, 2024

	Note	For the period from April 25, 2024 To June 30, 2024 MCB DCF Fixed Return Plan - I			For the period from May 23, 2024 To June 30, 2024 MCB DCF Fixed Return Plan - II			For the period from June 24, 2024 To June 30, 2024 MCB DCF Fixed Return Plan - III			Total		
		Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
		(Rupees '000')											
Net assets at beginning of the period		-	-	-	-	-	-	-	-	-	-	-	-
Issue of 12,510,615 units of MCB DCF Fixed return Plan I, 14,574,263 units of MCB DCF Fixed return Plan II and 20,037,978 units of MCB DCF Fixed return Plan III.													
- Capital value		1,251,062	-	1,251,062	1,457,427	-	1,457,427	2,003,798	-	2,003,798	4,712,287	-	4,712,287
- Element of income		-	-	-	-	-	-	-	-	-	-	-	-
		1,251,062	-	1,251,062	1,457,427	-	1,457,427	2,003,798	-	2,003,798	4,712,287	-	4,712,287
Redemption of nil units of MCB DCF Fixed Return Plan I, 400,000 units of MCB DCF Fixed return Plan II and nil units of MCB DCF Fixed Return Plan III.													
- Capital value		-	-	-	(40,000)	-	(40,000)	-	-	-	(40,000)	-	(40,000)
- Element of income		-	-	-	-	(46)	(46)	-	-	-	-	(46)	(46)
		-	-	-	(40,000)	(46)	(40,046)	-	-	-	(40,000)	(46)	(40,046)
Total comprehensive income for the period		-	45,171	45,171	-	32,195	32,195	-	7,816	7,816	-	85,182	85,182
Distribution during the period	20	-	(42,551)	(42,551)	-	(29,136)	(29,136)	-	(4,468)	(4,468)	-	(76,155)	(76,155)
		-	2,620	2,620	-	3,059	3,059	-	3,348	3,348	-	9,027	9,027
Net assets as at the end of the period		1,251,062	2,620	1,253,682	1,417,427	3,013	1,420,440	2,003,798	3,348	2,007,146	4,672,287	8,981	4,681,268
Undistributed income brought forward													
- Realised			-			-			-			-	
- Unrealised			-			-			-			-	
			-			-			-			-	
Accounting income available for distribution													
- Relating to capital gains			584			1,595			21			2,200	
- Excluding capital gains			44,587			30,554			7,795			82,936	
			45,171			32,149			7,816			85,136	
Distributions during the period			(42,551)			(29,136)			(4,468)			(76,155)	
Undistributed income carried forward			2,620			3,013			3,348			8,981	
Undistributed income carried forward													
- Realised			2,036			1,469			3,327			6,832	
- Unrealised			584			1,544			21			2,149	
			2,620			3,013			3,348			8,981	
			(Rupees)			(Rupees)			(Rupees)				
Net assets value per unit as at beginning of the period			-			-			-				
Net assets value per unit as at end of the period			100.2094			100.2128			100.1671				

The annexed notes 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE PERIOD STARTING APRIL 25, 2024 TO JUNE 30, 2024

	Note	For the period from April 25, 2024 To June 30, 2024	For the period from May 23, 2024 To June 30, 2024	For the period from June 24, 2024 To June 30, 2024	
		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
		(Rupees '000')			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		45,171	32,195	7,816	85,182
Adjustments for:					
Unrealised gain on re-measurement of investments at fair value through profit or loss - net		(584)	(1,544)	(21)	(2,149)
		44,587	30,651	7,795	83,033
Increase in assets					
Investments		(1,254,550)	(1,408,140)	(2,004,675)	(4,667,365)
Profit receivable on bank deposits		(112)	(210)	(1,045)	(1,367)
		(1,254,662)	(1,408,350)	(2,005,720)	(4,668,732)
Increase in liabilities					
Payable to Management Company		2,236	1,329	-	3,565
Payable to Trustee		63	73	20	156
Payable to Securities and Exchange Commission of Pakistan		77	89	25	191
Dividend payable		6,286	-	-	6,286
Accrued expense and other Liabilities		-	12	10	22
		8,662	1,503	55	10,220
Net cash used in operating activities		(1,201,413)	(1,376,196)	(1,997,870)	(4,575,479)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received against issuance of units		1,251,062	1,457,427	2,003,798	4,712,287
Amount paid against redemption of units		-	(40,046)	-	(40,046)
Distributions made during the period		(42,551)	(29,136)	(4,468)	(76,155)
Net cash generated from financing activities		1,208,511	1,388,245	1,999,330	4,596,086
Net increase in cash and cash equivalents during the period		7,098	12,049	1,460	20,607
Cash and cash equivalents at the beginning of the period		-	-	-	-
Cash and cash equivalents at the end of the period	14	7,098	12,049	1,460	20,607

The annexed notes 1 to 23 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB DCF Fixed Return Fund (the Fund) has been established through the Trust Deed (the Deed) dated May 29, 2023 under the Sindh Act, 2020 entered into and between MCB Investments Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee and is authorised under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations").The Securities and Exchange Commission of Pakistan (SECP) has authorised the offer of Units of MCB DCF Fixed Return Fund (MCB DCF FRF) and has registered the fund as a notified entity under the NonBanking Finance Companies and Notified Entities Regulations, 2008 ("Regulations") vide letter No SCD/AMCW/MCBDCFFRF/2023/367-MF-NE-114 dated June 13, 2023. SECP has approved the Offering Document under the Regulations vides its Letter No. SCD/AMCW/DCFFRF/2023/362 dated December 27, 2023. Accordingly on May 29, 2023. the Trust Deed of the Fund has been registered under the Sindh Trust Act.

1.2 Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.

1.3 The Fund is an open-end collective investment scheme categorized as a "Fixed Rate / Return Scheme" plans with different duration and fixed return to the unit holders who hold the units till maturity. Each plan can place deposits in AA or above rated bank or invest in Fixed Income Government Securities. Investors will be intimated at the time of investment a promised rate of return which will be delivered at the time of maturity of the plan.

1.4 Management Company is launching first MCB DCF Fixed Return Plan I, II and III having maturity date up to six months from the date of closure of IPO.

1.5 Below are details of the Plans which were launched, matured and active during the period from April 25, 2024 to June 30, 2024:

S. No.	Name of Plan	Launch Date	Maturity Date	Status	Fixed Return
1	MCB DCF Fixed Return Fund Plan - I	April 25, 2024	October 31, 2024	Active	20.00%
2	MCB DCF Fixed Return Fund Plan - II	May 23, 2024	October 31, 2024	Active	20.00%
3	MCB DCF Fixed Return Fund Plan - III	June 24, 2024	July 11, 2024	Active	20.65%

1.6 The objective of the Fund is to provide fixed return at maturity of the Allocation Plans under the Fund, by investing in Fixed Income Securities. The duration of the Fund is perpetual, however the allocation plan's under the Fund have set time frame. The pricing mechanism of the allocation plans under the Fund follows backward pricing method.

1.7 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of AM1 dated October 06, 2023 to the Management Company. Since it's a newly launch fund and as per PACRA, rating process of the fund will be proceed after a period of six month, therefore the fund is not rated as at June 30, 2024.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

There is no prior period amounts of the statement of assets and liabilities, income statement, statement of other comprehensive income, statement of movement in share holder's fund and the statement of cash flows as the first plan of the Fund was launched on April 24, 2024.

2.2 Standard and amendments to IFRS that are not yet effective

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

	Effective from accounting period beginning on or after:
- Amendments to IFRS 16 ' Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

2.3 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the 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 underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Taxation (notes 3.4 and 13)
- Classification and measurement of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 10)
- Provisions (note 3.3)

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.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

3.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (FVOCI), profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or FVOCI criteria are classified as at fair value through profit or loss (FVTPL). In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities:

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKISRV / PKFRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange (PSX) are valued at rates quoted on PSX.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

3.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

3.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

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

3.4 Taxation

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

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

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the period end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

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

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

3.7 Net asset value per unit

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

3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / (loss) arising on re-measurement of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.9 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and SECP fee are recognised in the Income Statement on an accrual basis. Moreover, auditors' remuneration of the fund is borne by the Management Company.

3.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

	Note	June 30, 2024			
		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
4. BANK BALANCES		(Rupees '000')			
In savings accounts	4.1	7,098	12,049	1,460	20,607

4.1 These balances are maintained with MCB Bank (a related party), and carry profit rates 19.00% for all plans as at June 30, 2024.

5. INVESTMENTS

	Note	June 30, 2024 MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
		(Rupees '000')			
Financial assets 'at fair value through profit or loss' - net					
Government securities					
Market treasury bills	5.1	1,255,134	1,409,684	2,004,696	4,669,514

5.1 Market treasury bills

Tenor	Issue Date	Face value: As at July 01, 2023	Face value: Purchased during the period	Face value: Sold / matured during the period	Face value: As at June 30, 2024	As at June 30, 2024: Carrying value	As at June 30, 2024: Market value	As at June 30, 2024: Unrealised gain	Market value as a percentage of net assets	Market value as a percentage of total investments
		(Rupees '000')							(%)	
MCB DCF Fixed Return Plan I										
Treasury bills - 12 months *	November 02, 2023	-	1,340,000	-	1,340,000	1,254,550	1,255,134	584	100	100
Total as at June 30, 2024						1,254,550	1,255,134	584	100	100
MCB DCF Fixed Return Plan II										
Treasury bills - 12 months *	November 02, 2023	-	1,555,000	50,000	1,505,000	1,408,140	1,409,684	1,544	99	100
Total as at June 30, 2024						1,408,140	1,409,684	1,544	99	100
MCB DCF Fixed Return Plan III										
Treasury bills - 12 months *	July 13, 2023	-	2,016,000	-	2,016,000	2,004,675	2,004,696	21	100	100
Total as at June 30, 2024						2,004,675	2,004,696	21	100	100
Total as at June 30, 2024						4,667,365	4,669,514	2,149		

* These carry effective yield of ranging between from 20.85% to 21.69% per annum.

		Note	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
			(Rupees '000')			
5.2	**Unrealised gain on remeasurement of investments at fair value through profit or loss - net**					
	- Market value	5.1	1,255,134	1,409,684	2,004,696	4,669,514
	- Carrying value	5.1	1,254,550	1,408,140	2,004,675	4,667,365
			584	1,544	21	2,149

			June 30, 2024			
		Note	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
6.	**PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY**		(Rupees '000')			
	Management remuneration payable	6.1	1267	715	-	1,982
	Sindh Sales Tax payable on management remuneration	6.2	165	93	-	258
	Allocated expenses	6.3	178	120	-	298
	Marketing and selling expense	6.4	626	401	-	1,027
			2,236	1,329	-	3,565

6.1 As per regulation 61 of the NBFC and Notified Entities 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. As per offering document, the Management Company can charge management fee up to 1.75% per annum of average daily Net Assets, calculated on daily basis.

6.2 Sindh Sales Tax on management fee has been charged at 13%

6.3 Management Company has charged allocated expenses to the Fund to the extent as it has thought expedient on its discretion subject to not being higher than actual expenses.

6.4 Management Company has charged selling and marketing expenses to the Fund to the extent as it has thought expedient on its discretion subject to not being higher than actual expenses.

			June 30, 2024			
		Note	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
			(Rupees '000')			
7.	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**					
	Trustee remuneration payable	7.1	56	65	18	139
	Sindh Sales Tax payable on trustee remuneration	7.2	7	8	2	17
			63	73	20	156

7.1 The trustee remuneration shall consist of reimbursement of actual custodial expenses / charges plus Rs. 0.055% per annum of the net assets to be paid monthly in arrears.

7.2 Sindh Sales Tax at 13% is charged on Trustee fee.

8. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The Fund has charged SECP Fee at the rate of 0.075% of net assets during the current period.

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2024			
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
	(Rupees '000')			
Withholding tax on capital gains	-	12	-	12
Other payable	-	-	10	10
	-	12	10	22

10. CONTINGENCIES AND COMMITMENTS

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

11. NON ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Management Company on July 01, 2024 approved a final distribution in MCB DCF Fixed Return Fund Plan – III of Rs. 0.1671 per unit on the face value of Rs. 100 each amounting to Rs. 3.35 million. The financial statements of the Fund for the period ended June 30, 2024 do not include effect of this distribution which will be accounted for in the financial statements of the fund for the year ending June 30, 2025.

12. TOTAL EXPENSE RATIO

MCB DCF Fixed Return Fund Plan I

The Total Expense Ratio (TER) of the Fund from April 25, 2024 to June 30, 2024 is 1.14% which includes 0.16% representing government levies on the Fund such as sales taxes, SECP fee, etc. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

MCB DCF Fixed Return Fund Plan II

The Total Expense Ratio (TER) of the Fund from May 23, 2024 to June 30, 2024 is 1.02% which includes 0.14% representing government levies on the Fund such as sales taxes, SECP fee, etc. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

MCB DCF Fixed Return Fund Plan III

The Total Expense Ratio (TER) of the Fund from June 24, 2024 to June 30, 2024 is 0.14% which includes 0.08% representing government levies on the Fund such as sales taxes, SECP fee, etc. The prescribed limit for the ratio is 2% (excluding government levies) under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains and accumulated loss whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

14. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being 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.

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 of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the period end are as follows:

14.1 Details of transactions other than units of the fund with related parties / connected persons during the period

	For the period from April 25, 2024 To June 30, 2024	For the period from May 23, 2024 To June 30, 2024	For the period from June 24, 2024 To June 30, 2024	Total
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	
MCB Investment Management Limited - Management Company	(Rupees '000')			
Remuneration (including indirect taxes)	1,432	808	-	2,240
Allocated expenses	178	120	-	298
Marketing and Selling Expenses	626	401	-	1,027
	2,236	1,329	-	3,565
Central Depository Company of Pakistan Limited - Trustee				
Remuneration (including indirect taxes)	139	94	20	253

14.2 Details of balances with related parties / connected persons as at period end

	June 30, 2024			
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
	(Rupees '000')			
MCB Investment Management Limited - Management Company				
Management remuneration payable	1,267	715	-	1,982
Sindh Sales Tax payable on management remuneration	165	93	-	258
Allocated expenses	178	120	-	298
Marketing and selling expense	626	401	-	1,027
	2,236	1,329	-	3,565
Central Depository Company of Pakistan Limited - Trustee				
Trustee remuneration payable	56	65	18	139
Sindh Sales Tax payable on trustee remuneration	7	8	2	17
	63	73	20	156

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

	June 30, 2024							
	As at April 25, 2024	Issued for cash	Redeemed	As at June 30, 2024	Issued for cash	Bonus	Redeemed	As at June 30, 2024
	Units				Rupees '000'			
MCB DCF FIXED RETURN PLAN - I								
<u>Group associated companies</u>								
Nishat Power Limited	-	10,297,678	-	10,297,678	-	1,029,769	-	1,031,924
MCB DCF FIXED RETURN PLAN - II								
Unit holders holding 10% or more	-	7,280,748	-	7,280,748	-	728,075	-	729,623
MCB DCF FIXED RETURN PLAN - III								
Unit holders holding 10% or more	-	20,037,978	-	20,037,978	-	2,003,798	-	2,007,146

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

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

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

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

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hirearchy.

	June 30, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Rupees '000'						
Financial assets measured at fair value							
Market treasury bills	4,669,514	-	4,669,514	-	4,669,514	-	4,669,514
Financial assets not measured at fair value							
Bank balances	-	20,607	20,607				
Profit receivable	-	1,367	1,367				
	-	21,974	21,974				
Financial liabilities not measured at fair value							
Payable to Management Company	-	3,307	3,307				
Payable to Trustee	-	139	139				
Accrued expense and other liabilities	-	10	10				
Dividend payable	-	6,286	6,286				
	-	9,742	3,456				

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

16. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

16.1 Market risk

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

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

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

16.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

16.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is exposed to such risk on bank balances, investments in term finance certificates, government securities and sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2024 details of Fund's profit bearing financial instruments were as follows:

	Note	June 30, 2024 Rupees '000'
Variable rate instruments (financial asset)		
Bank balances	4	**20,607**
Fixed rate instruments (financial assets)		
Market treasury bills	5	**4,669,514**

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs 0.206 million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2024, the net income for the year and net assets would be lower / higher by Rs. 46.695 million.

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

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

Particulars	As at June 30, 2024					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	Rupees				
On-balance sheet financial instruments						
Financial assets						
Bank balances	19	20,607	-	-	-	20,607
Investments	20.85 to 21.69	2,004,696	2,664,818	-	-	4,669,514
Profit receivable		-	-	-	1,367	1,367
Sub total		2,025,303	2,664,818	-	1,367	4,691,488
Financial liabilities						
Payable to Management Company		-	-	-	3,307	3,307
Payable to Trustee		-	-	-	139	139
Dividend payable		-	-	-	6,286	6,286
Accrued expense and other Liabilities		-	-	-	10	10
Sub total		-	-	-	9,742	9,742
On-balance sheet gap		2,025,303	2,664,818	-	(8,375)	4,681,746
Total profit rate sensitivity gap		2,025,303	2,664,818	-	(8,375)	4,681,746
Cumulative profit rate sensitivity gap		2,025,303	4,690,121	4,690,121	4,681,746	

16.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

16.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments in term finance certificates and sukuk certificates, bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2024	
	Balance as per statement of assets and liabilities	Maximum exposure
	Rupees '000'	
Banks balances	20,607	20,607
Investments	4,669,514	-
Profit receivable	1,367	1,367
	4,691,488	21,974

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

Bank Balances by rating category

	June 30, 2024	
Rating	Rupees '000'	%
AAA	20,607	100

Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2024.

Investments in government securities do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and management does not expect to incur any credit loss on such investment.

16.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting it's obligations arising from it's financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	June 30, 2024					
	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Rupees '000'					
Financial assets						
Bank balances	20,607	-	-	-	-	20,607
Investments	2,004,696	-	2,664,818	-	-	4,669,514
Profit receivable	1,367	-	-	-	-	1,367
Sub total	2,026,670	-	2,664,818	-	-	4,691,488
Financial liabilities						
Payable to Management Company	3,307	-	-	-	-	3,307
Payable to Trustee	139	-	-	-	-	139
Dividend payable	6,286					
Accrued expense and other Liabilities	10	-	-	-	-	10
Sub total	9,742	-	-	-	-	3,456
On-balance sheet gap	2,016,928	-	2,664,818	-	-	4,688,032
Total liquidity risk sensitivity gap	2,016,928	-	2,664,818	-	-	4,688,032
Cumulative liquidity risk sensitivity gap	2,016,928	2,016,928	4,681,746	4,681,746	4,681,746	

17. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

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

17.1 Mr. Syed Usama Iqbal is the fund manager. Details of the other funds being managed by him are as follows:

- Alhamra Islamic Income Fund
- Alhamra Islamic Money Market Fund
- Alhamra Smart Portfolio Fund
- Pakistan Income Fund
- MCB Pakistan Fixed Return Fund
- Alhamra Wada Fund

18. PATTERN OF UNIT HOLDING

	As at June 30, 2024			
	Number of unit holders	Number of units	Investment amount	Percentage investment
			Rupees '000'	%
MCB DCF Fixed Return Plan I				
Individuals	13	2,114,604	211,903	16.90
Associated company	1	10,297,678	1,031,924	82.31
Others	1	98,333	9,855	0.79
	15	12,510,615	1,253,682	100.00
MCB DCF Fixed Return Plan II				
Individuals	30	4,161,735	417,058	29.36
Retirement Funds	2	3,808,903	381,700	26.87
Public Limited Companies	2	2,551,592	255,701	18.00
Others	7	3,652,033	365,980	25.77
	41	14,174,263	1,420,439	100.00
MCB DCF Fixed Return Plan III				
Public Limited Company	1	20,037,978	2,007,146	100.00
	1	20,037,978	2,007,146	100.00

19. Dividend distribution details during the period

	Per Unit	Declared date	Refund of Capital	Distribution from Income	Total Distribution
				(Rupees '000')	
MCB DCF Fixed Return Fund Plan - I					
Distribution for the period from April 25, 2024 To April 27, 2024	0.1105	April 27, 2024	-	**1,343**	**1,342**
Distribution for the period from April 28, 2024 To June 30, 2024	3.3885	June 28, 2024	-	**41,209**	**41,209**
MCB DCF Fixed Return Fund Plan - II					
Distribution for the period from May 23, 2024 To June 30, 2024	2.0352	June 28, 2024	-	**29,136**	**29,136**
MCB DCF Fixed Return Fund Plan - III					
Distribution for the period from June 24, 2024 To June 30, 2024	0.2234	June 28, 2024	-	**4,468**	**4,468**
Total Distribution during the period			-	**76,156**	**76,155**

20. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 189th, 190th, 191th, 192nd, 193rd, 194th, 195th & 196th meeting of the Board of Directors were held on July 21, 2023, July 26, 2023, September 28, 2023, October 12, 2023, October 18, 2023, February 02, 2024, April 19, 2024 and April 22, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of persons attending the meetings	Designation	Number of Meetings Held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave Granted	
Mr. Haroun Rashid	Chairman	8	8	8	-	-
Mr. Shoaib Mumtaz	Director	8	8	5	3	192nd, 193rd, 195th
Mr. Muhammad Saqib Saleem (Resigned) *	Chief Executive Officer	8	5	5	-	-
Mr. Khawaja Khalil Shah (Appointed) **	Chief Executive Officer	8	3	3	-	-
Mr. Manzar Mushtaq	Director	8	8	8	-	
Syed Savail Meekal Hussain	Director	8	8	7	1	195th
Mr. Ahmed Jahangir	Director	8	8	8	-	-
Ms. Mavra Adil Khan	Director	8	8	6	2	192nd, 195th
Mr. Fahd Kamal Chinoy	Director	8	8	5	3	190th, 192nd, 195th

* Resigned On Oct 31,2023
** Appointed on November 01, 2023

21. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

22. GENERAL

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

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 25, 2024.

For MCB Investment Management Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

PATTERN OF UNITS HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2024

MCB DCF FIXED RETURN PLAN I

No. of Unit Holders	Unit holdings	Total units held
15	D. 1000,001 & Above	12,510,615
15		12,510,615

MCB DCF FIXED RETURN PLAN II

No. of Unit Holders	Unit holdings	Total units held
3	C. 100,001 – 1000,000	17,100
38	D. 1000,001 & Above	14,157,164
41		14,174,263

MCB DCF FIXED RETURN PLAN III

No. of Unit Holders	Unit holdings	Total units held
1	D. 1000,001 & Above	20,037,978
1		20,037,978

PERFORMANCE TABLE
FOR THE YEAR ENDED JUNE 30, 2024

MCBDCFFRP1

Performance Information	2024
Total Net Assets Value – Rs. in million	1,253.6820
Net Assets value per unit – Rupees	100.2094
Closing Offer Price	100.2094
Closing Repurchase Price	100.2094
Highest offer price per unit	103.3885
Lowest offer price per unit	100.0000
Highest Redemption price per unit	103.3885
Lowest Redemption price per unit	100.0000
Distribution per unit – Rs. *	3.4990
Average Annual Return - %	
One year (Inception Date 26-Apr-24)	20.6300
Two year	NA
Three year	NA
Net (loss) / Income for the period – Rs. in million	45.1709
Distribution made during the year – Rs. in million	42.5510
Accumulated Capital Growth – Rs. in million	2.6199

*** Date of Distribution** **26-Jun-24**

2024	
Date	Rate
26-Jun-24	3.4990

Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

MCBDCFFRPII

Performance Information	2024
Total Net Assets Value – Rs. in million	1,420.4400
Net Assets value per unit – Rupees	100.2126
Closing Offer Price	100.2126
Closing Repurchase Price	100.2126
Highest offer price per unit	102.0352
Lowest offer price per unit	100.0589
Highest Redemption price per unit	102.0352
Lowest Redemption price per unit	100.0589
Distribution per unit – Rs. *	2.0352
Average Annual Return - %	
One year (Inception Date 24-May-24)	21.69
Two year	NA
Three year	NA
Net (loss) / Income for the period – Rs. in million	32.1950
Distribution made during the year – Rs. in million	29.1360
Accumulated Capital Growth – Rs. in million	3.0590

*** Date of Distribution** **26-Jun-24**

2024	
Date	Rate
26-Jun-24	2.0352

Disclaimer

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PERFORMANCE TABLE
FOR THE YEAR ENDED JUNE 30, 2024

MCBDCFFRPIII

Performance Information	2024
Total Net Assets Value – Rs. in million	2,007.1460
Net Assets value per unit – Rupees	100.1671
Closing Offer Price	100.1671
Closing Repurchase Price	100.1671
Highest offer price per unit	100.2234
Lowest offer price per unit	100.0556
Highest Redemption price per unit	100.2234
Lowest Redemption price per unit	100.0556
Distribution per unit – Rs. *	0.2234
Average Annual Return - %	
One year (Inception Date 25-Jun-24)	23.84
Two year	NA
Three year	NA
Net (loss) / Income for the period – Rs. in million	7.8160
Distribution made during the year – Rs. in million	4.4680
Accumulated Capital Growth – Rs. in million	3.3480

*** Date of Distribution** **27-Jun-24**

2024	
Date	**Rate**
27-Jun-24	0.2234

Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

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