

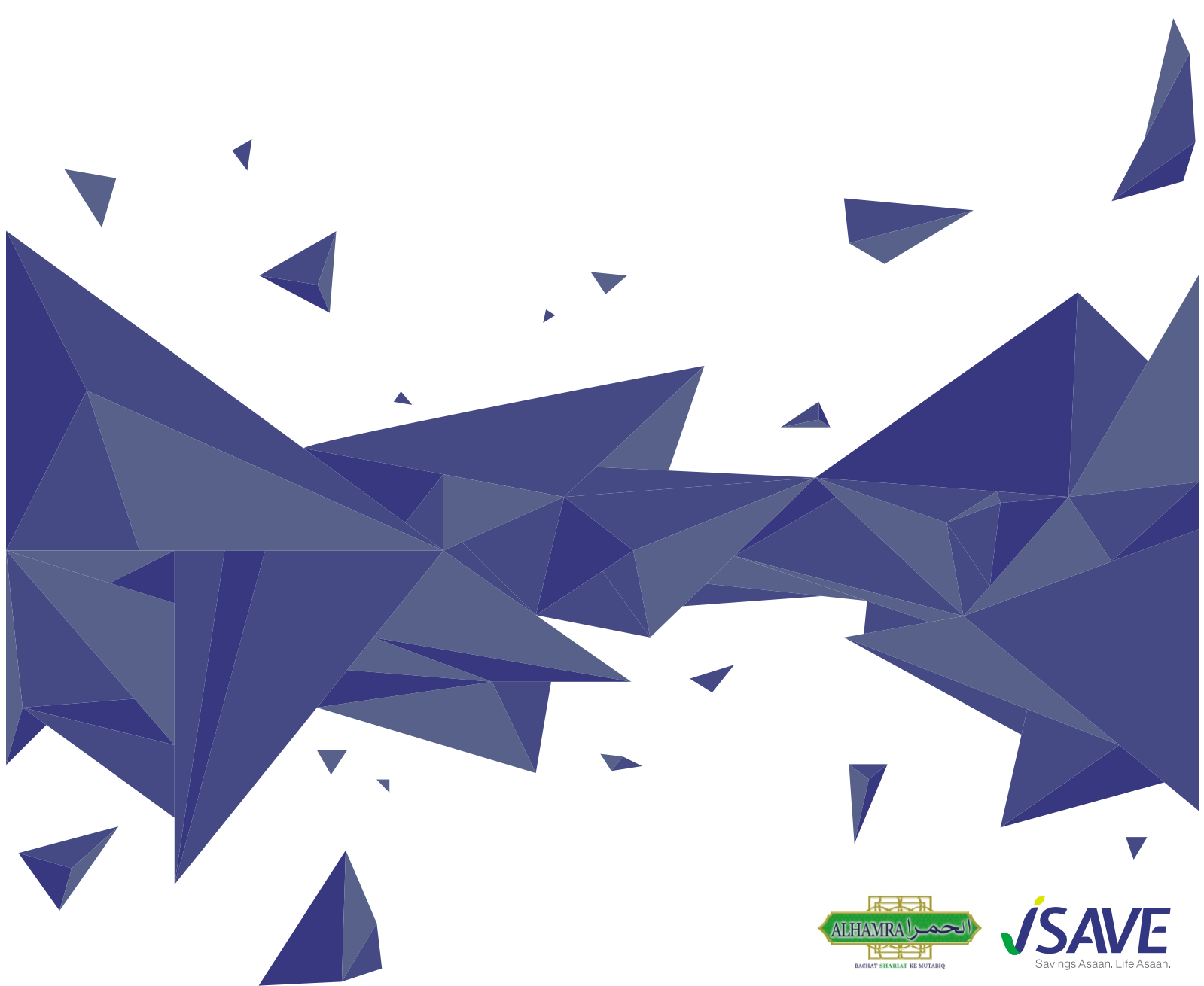


MCB FUNDS
Investments for Life

QUATERLY REPORT

MARCH
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



PAKISTAN CAPITAL MARKET FUND

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
Chief Executive Officer	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al Habib Limited Habib Bank Limited	National Bank of Pakistan JS Bank Limited Standard Chartered Bank Limited Zarai Traqiati Bank Limited Bank Al-Falah Limited
Auditors	BDO Ibrahim & Co. Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Capital Market Fund's** accounts review for the nine months ended March 31, 2024.

Economy and Money Market Review

Macroeconomic indicators have been on an improving path since the start of the fiscal year. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3 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 reach staff level agreement with IMF in the first and second reviews. After formation of new cabinet, the government has also publicly announced its intention to seek a new IMF program of at least USD 6.0 billion after the current program expires.

The caretaker government, after facing speculative pressure on currency, took decisive steps against smuggling of dollar and abuse of Afghan Transit in September 2023, which spurred a rapid recovery in the exchange rate. This led to the reduction of the difference between open market and interbank rates, which consequently improved remittances and export proceeds. The government has been running a subdued current account balance, which along with increased clarity on the external front has led the local currency to depict strength. The USD PKR close the period at 277.9 appreciating by 2.9% since the start of the year.

Country posted a current account deficit (CAD) of USD 1.0 billion in the first eight months of the fiscal year 2024 (8MFY24) declining by 74% 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 10.2% increase in exports coupled with an 8.8% drop in imports led to a 27.6% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 8.0 billion as of March 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 27.1% during first nine months of the fiscal year compared to 27.3% in the corresponding period 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 maintained status quo in the monetary policy held on March 18, 2024. The Committee assessed that the level of inflation remains high and its outlook is susceptible to risks amidst elevated inflation expectations which warranted a cautious approach in the near term.

The country's GDP grew by 1.0% in the second quarter of the financial year 2023-24 as compared to 2.2% in the same period last year. Agriculture grew by 5.0%, Services remained flattish at 0.01% while industrial sector witnessed a decline of -0.84%. Historic high interest rates coupled with political uncertainty were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 30.1% in 9MFY24 to PKR 6,709 billion, outpacing the target by a modest PKR 1bn

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

Equity Market Review

The stock market witnessed exuberance in the first nine months of fiscal year 2024, as the benchmark KSE-100 increased by 61.6%, or 25,552 points, to close at all time high of 67,005 points. The bullish momentum was on account of improvements in macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the successful completion of all IMF reviews under SBA. Moreover, the successful conclusion of elections in February 2024 brought long due clarity amongst investors. In addition, reaffirmation by the incumbent government to continue structural reforms, along with the intention to enter a longer IMF program, further uplifted sentiment. Lastly, the strength of the local currency post-crackdown on currency smuggling and hoarding, strong corporate profitability, and market expectations of monetary easing towards the end of the second half of the fiscal year, all contributed to the sustainable rally.

During 9MFY24, Foreign investors, Insurance, and Corporates were net buyers with an inflow of USD 75 million, USD 121 million and USD 31 million, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 113 million and USD 55 million, respectively. During 9MFY24, average trading volumes for KSE-All Index saw an increase of 121.8% to 452 million shares compared to about 204 million shares in the same period last year. Similarly, the average trading value during the period saw a rise of 81% over the last 9M to near USD 51 million.

Banking, Fertilizer, and E&P sector were the major contributors to the index gain adding 8,799/3,504/3,350 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring besides strong profitability. Fertilizer sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt, which would improve the sector cash flows.

FUND PERFORMANCE

During the period under review, the fund posted a return of 49.15% compared to the return of 50.67% posted by the benchmark.

On the equities front, the overall allocation stood at 68.2%. The exposure was mainly held in Commercial Banks and Cement.

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

The Net Assets of the Fund as at March 31, 2024 stood at Rs. 459 million as compared to Rs. 333 million as at June 30, 2023 registering an increase of 37.84%.

The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 15.84 as compared to opening NAV of Rs. 11.02 per unit as at June 30, 2023 showing an increase of Rs. 4.82 per unit.

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 2.7% in FY24 after a dismal performance last year where the GDP contracted by 0.17%. The outlook for agricultural output is optimistic, with an expected increase of 6.1%. This growth is attributed to rebound in production compared to the previous year, which was marred by heavy floods affecting crops like rice and cotton. Particularly encouraging is the notable increase in cotton

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

arrivals, rising by 71% year-on-year to reach 8.4 million bales in the fiscal year 2024. However Industrial and services sector growth is likely to remain lackluster and will clock at 1.1% and 1.8% respectively due to overall economic slowdown amid all time high interest rates.

We expect government to enter a new long-term IMF program worth atleast USD 6 billion, after the current program expires. Successful continuation of the IMF program will be a key positive as it will allow us to tap funding from bilateral and multilateral sources. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus, we would have to ensure a sustainable current account this year to stave off external concerns. We expect a CAD of USD 1.4 billion (0.4% of GDP) in FY24 and USD 3.2bn (0.8% 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 300.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in March 2024 clocked of 20.7% which was the lowest since May 2022. The core inflation also registered a significant slowdown, clocking at 15.7% which is a low of 18 months. The inflation reading is expected to decline to 18-19% by June 2024 and 13-14% by December 2024. This will allow Monetary Policy Committee to cut interest by 2% till June 2024 and around 5-6% by December 2024.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 9.4%, a discount of 51% from its historical average of 19.1%. Similarly, Earning Yield minus Risk Free Rate is close to 9.0%, compared to the historical average of 3.0% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies, which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 4.3x, while offering a dividend yield of 11.9%.

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 48.3% during 9MFY24 to PKR 2,319 billion. Total money market funds grew by about 30.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 17.4% to PKR 556 billion while Islamic funds increased by 43.9% to PKR 618 billion. In

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

addition, the total fixed Income funds increased by about 93.2% since June 2023 to PKR 714 billion while Equity and related funds increased by 35.3% to PKR 227 billion. In terms of the segment share, Money Market funds were the leader with a share of around 50.6%, followed by Income funds with 30.8% and Equity and Equity related funds having a share of 9.8% as at the end of March 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.

ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
April 22, 2024



Manzar Mushtaq
Director
April 22, 2024

ڈائریکٹرز رپورٹ

بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آئن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کو اُن کی محنت کے لیے خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

Manzoor Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی، 22 اپریل 2024ء

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی، 22 اپریل 2024ء

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.4 فیصد ہے جو اس کے قدیم اوسط 19.1 فیصد سے 51 فیصد کمی ہے۔ اسی طرح Earning Yield سے محفوظ شرح کم کرنے پر تقریباً 9.0 فیصد کے قریب بنتا ہے، اور اس کے تاریخی اوسط 2.7 فیصد سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کار آمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.3x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 11.9 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ درمیانی اور طویل مدت کے سرمایہ کار بانڈ اور انکم فنڈز سے مستفیدہ سکتے ہیں جہاں زیادہ مدت میں سود کی شرح کے مستقبل کے امکانات کی بنیاد پر سرمائے میں اضافے کے مواقع پیدا ہوں گے۔ ہم نے حکومتی بانڈز کو انکم فنڈز میں شامل کر دیا ہے تاکہ قریبی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کے پہلے نو ماہ کے دوران تقریباً 48.3 فیصد بڑھ کر 2,319 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2023ء سے اب تک تقریباً 30.0 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 17.4 فیصد بڑھ کر 556 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 43.9 فیصد بڑھ کر 618 بلین روپے ہو گئے۔ مزید براں، فکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 93.2 فیصد بڑھ کر 714 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 35.3 فیصد بڑھ کر 227 بلین روپے ہو گئے۔

شعبہ جاتی شراکت کے اعتبار سے مارچ 2024ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 50.6 فیصد کے ساتھ سب سے آگے تھے، جبکہ انکم فنڈ 30.8 فیصد اور ایکویٹی اور متعلقہ فنڈ 9.8 فیصد رہے

میوچل فنڈ صنعت کا نقطہ نظر

سود کی شرحوں میں کمی کی بنیاد پر بانڈ فنڈز اور ایکویٹیز، دونوں کی کارکردگی اگلے سال اچھی ہونے کا امکان ہے۔ دوران سال انکم فنڈز میں سرمایہ کاروں کی قابل ذکر دلچسپی صاف ظاہر تھی جبکہ ایکویٹی فنڈز میں آئی ایم ایف کے نئے معاہدے کے بعد بہتری متوقع ہے۔ دوران مدت نسبتاً زیادہ شرواح سود سے منی مارکیٹ فنڈز میں پائیدار آمدات کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں

معیشت اور مارکیٹ - مستقبل کے امکانات

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) گزشتہ سال مایوس کن کارکردگی (0.17 فیصد کمی) کے بعد مالی سال 2024ء میں متوقع طور پر بحال ہو کر 2.7 فیصد ہو جائے گی۔ زرعی پیداوار کا مستقبل امید افزا ہے اور اس میں 6.1 فیصد کی ترقی متوقع ہے کیونکہ پیداوار گزشتہ سال کے مقابلے میں بحال ہوئی ہے جب شدید سیلابوں نے چاول اور کپاس جیسی فصلوں کو بھاری نقصان پہنچایا تھا۔ خاص طور پر حوصلہ بخش بات کپاس کی پیداوار میں قابل ذکر اضافہ ہے جو 71 فیصد سال در سال (YoY) بڑھ کر مالی سال 2024ء میں 8.4 ملین گانٹھیں ہو گئی۔ تاہم صنعت اور خدمات کے شعبوں کی ترقی ماند رہنے کا امکان ہے جو بالترتیب 1.1 فیصد اور 1.8 فیصد ہوگی، اور اس کے عوامل مجموعی طور پر معاشی سست رفتاری اور سود کی شرحوں کی بلند ترین سطحیں ہیں۔

ہمیں اُمید ہے کہ حکومت آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6 بلین ڈالر مالیت ایک نئے طویل المیعاد پروگرام میں داخل ہو جائے گی۔ آئی ایم ایف پروگرام کو کامیابی کے ساتھ جاری رکھنا بے حد اہمیت کا حامل ہوگا کیونکہ اس سے دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کرنے میں مدد ملے گی۔ تاہم ہماری خارجی حالت تاحال غیر یقینی کا شکار ہے کیونکہ عالمی سطح پر مشکل حالات کے باعث ہم شاید بین الاقوامی یورو بانڈ اور سنکک کا اجراء نہیں کر سکیں گے۔ علاوہ ازیں، غیر ملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے حاصل ہونے والی آمدنی موجودہ معاشی مسائل کے باعث متوقع طور پر رُک رہی ہے۔ چنانچہ ہمیں اس سال ایک پائیدار قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل حل ہو سکیں۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 1.4 بلین ڈالر (جی ڈی پی کا 0.4 فیصد ہوگا)، جبکہ مالی سال 2025ء میں 3.2 بلین ڈالر (جی ڈی پی کا 0.8 فیصد) ہوگا، کیونکہ آئی ایم ایف کی چھتری تلے استحکام کی پالیسی جاری رہنے کا امکان ہے۔

ڈالر اور روپے کا تناسب مستحکم رہنے کا امکان ہے کیونکہ حکومت برآمدات اور ترسیلات میں بحالی کی بنیاد پر کرنٹ اکاؤنٹ خسارہ کم کرنے کی طرف توجہ دے رہی ہے۔ نئے آئی ایم ایف پروگرام میں داخل ہونے سے بھی خارجی محاذ پر حصولِ رقم کی صورتحال واضح ہوگی۔ ہمیں توقع ہے کہ مالی سال کے اختتام پر ڈالر اور روپے کا تناسب تقریباً 300 ہوگا۔

مہنگائی کی سطح base کے اثر اور نسبتاً مستحکم روپے کے باعث نیچے آنا شروع ہو گئی ہے۔ مارچ 2024ء میں ہیڈ لائن مہنگائی 20.7 فیصد تک پہنچ گئی تھی جو مئی 2022ء سے اب تک کم ترین عدد ہے۔ بنیادی مہنگائی بھی قابل ذکر حد تک کم ہو کر 15.7 فیصد ہو گئی جو گزشتہ 18 ماہ کی کم ترین سطح ہے۔ جون 2024ء تک مہنگائی مزید کم ہو کر 18 تا 19 فیصد اور دسمبر 2024ء تک 13 تا 14 فیصد ہو جانے کا امکان ہے۔ اس کی بدولت مانیٹری پالیسی کمیٹی جون 2024ء تک سود کو کم کر کے 2 فیصد اور دسمبر 2024ء تک تقریباً 5 تا 6 فیصد کر سکے گی۔

بالترتیب 113 ملین ڈالر اور 55 ملین ڈالر تھی۔ KSE-All انڈیکس کے اوسط تجارتی حجم 121.8 فیصد بڑھ کر 452 ملین حصص ہو گئے جو گزشتہ سال مماثل مدت میں تقریباً 204 ملین حصص تھے۔ اسی طرح، دوران مدت اوسط تجارتی قدر گزشتہ نو ماہ کے دوران 81 فیصد بڑھ کر تقریباً 51 ملین ہو گئے۔

بینکاری، کھاد اور توانائی اور بجلی (ای اینڈ پی) کے شعبوں نے انڈیکس میں سب سے بڑا کردار ادا کیا اور بالترتیب 3/8799 ، 504 / 3,350 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی ہوئی کیونکہ آئی ایم ایف کے پروگرام کے حصول کے بعد اچھے منافع کی صلاحیت کے ساتھ ساتھ مقامی قرضوں کی تشکیل نو کا امکان کم ہو گیا۔ کھاد کے شعبے نے متوقع سے بہتر ڈیویڈنڈز کی بنیاد پر اچھی کارکردگی کا مظاہرہ کیا جبکہ ای اینڈ پی کی اچھی کارکردگی کی وجہ گیس کے گردش قرض کی ادائیگی تھی جس کی بدولت نقد کی آمدورفت میں بہتری آئے گی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 49.15 فیصد منافع پوسٹ کیا، بالمقابل مقررہ معیار 50.67 فیصد منافع کے۔ ایکویٹیز میں مجموعی سرمایہ کاری 68.2 فیصد تھی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ میں تھی۔ فلکسڈ انکم کے محاذ پر فنڈ نے نقد میں اپنی سرمایہ کاری برقرار رکھی تاکہ بینکوں کی طرف سے پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جاسکے۔

31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 459 ملین روپے تھے، جو 30 جون 2023ء کی سطح 333 ملین روپے کے مقابلے میں 37.84 فیصد اضافہ ہے۔

31 مارچ 2024ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 15.84 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی فی یونٹ 11.02 روپے کے مقابلے میں 4.82 روپے فی یونٹ اضافہ ہے۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط زیر جائزہ مالی سال کے پہلے نو ماہ کے دوران 27.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 27.3 فیصد تھا۔ مہنگائی بلند تر سطح پر رہی کیونکہ گزشتہ مدتوں میں روپے کی قدر میں خطیر کمی کے باعث اشیائے خورد و نوش اور توانائی کی قیمتوں میں اضافہ ہوا۔ علاوہ ازیں، حکومت نے آئی ایم ایف کی شرائط کی تعمیل میں بجلی اور گیس کی قیمتوں میں اضافہ کیا جس کے باعث مہنگائی کے دباؤ میں بھی مزید اضافہ ہوا۔ ایس بی پی نے مانیٹری پالیسی منعقدہ 18 مارچ 2024ء میں موجودہ صورتحال برقرار رکھی۔ کمیٹی نے جائزہ لیا کہ مہنگائی کی سطح بدستور بلند ہے اور مستقبل میں اس کو خطرات لاحق ہو سکتے ہیں جس کے باعث نئی مدت میں محتاط لائحہ عمل اختیار کرنا ہوگا۔

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023-24ء کی دوسری سہ ماہی میں 1.0 فیصد ترقی ہوئی جو گزشتہ سال مماثل مدت میں 2.2 فیصد تھی۔ زراعت میں 5.0 فیصد ترقی ہوئی، خدمات کے شعبے میں معمولی 0.01 فیصد اضافہ ہوا، جبکہ صنعت میں 0.84 فیصد کمی ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ سیاسی غیر یقینی صورتحال صنعتی ماحصل میں تنزلی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی مالی سال 2024ء کے پہلے نو ماہ میں 30.1 فیصد بڑھ کر 6,709 بلین روپے ہو گئی، جو ہدف سے 1 بلین روپے زیادہ ہے۔

ایکویٹی مارکیٹ کا جائزہ

اسٹاک مارکیٹ میں مالی سال 2024ء کے پہلے نو ماہ میں جوش و خروش دیکھا گیا کیونکہ مقررہ معیار KSE-100 میں 61.6 فیصد یعنی 25,552 پوائنٹس اضافہ ہوا اور اب تک کی بلند ترین سطح 67,005 پوائنٹس تک پہنچ گیا۔ تیزی کا یہ رجحان پاکستان کے آئی ایم ایف کے نئے پروگرام میں داخل ہونے کے بعد مجموعی معاشی اشاروں میں بہتری کے باعث ممکن ہوا۔ مارکیٹ کے فریقوں نے بھی ایس بی اے کے تحت آئی ایم ایف کے تمام جائزوں کی کامیاب تکمیل کا خیر مقدم کیا۔ مزید برآں، فروری 2024ء میں انتخابات کی کامیاب تکمیل کی بدولت سرمایہ کاروں کے سامنے صورتحال واضح ہوئی جس کی بہت عرصے سے ضرورت تھی۔ علاوہ ازیں، موجودہ حکومت کا بنیادی ساخت میں اصلاحات لانے کا عزم اور طویل تر آئی ایم ایف پروگرام میں داخل ہونے کا ارادہ مزید حوصلہ افزائی کا باعث بنا ہے۔ آخری بات یہ کہ روپے کی غیر قانونی آمدورفت (اسمگلنگ) اور ذخیرہ اندوزی کے خلاف کارروائی کے بعد روپے کو حاصل ہونے والی تقویت، کارپوریٹ سطح پر اچھے منافع کی صلاحیت، اور مارکیٹ میں مالی سال کے نصف آخر کے اختتام تک مالیاتی تسہیل کی توقعات، سب نے پائیدار ترقی میں کردار ادا کیا۔

مالی سال 2024ء کے پہلے نو ماہ کے دوران مجموعی خریدار غیر ملکی سرمایہ کار، بیمہ اور کارپوریٹ شعبے تھے جنہوں نے بالترتیب 75 ملین ڈالر، 121 ملین ڈالر اور 113 ملین ڈالر کی خریداری کی۔ دوسری طرف سب سے زیادہ فروخت بینکوں اور میوچل فنڈز نے کی جو

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کپیٹل مارکیٹ فنڈ کے اکاؤنٹس نو ماہ مختتمہ 31 مارچ 2024ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مجموعی معاشی اشارے سال کے آغاز سے بہتری کی جانب گامزن رہے۔ حکومت نے جون 2023ء میں آئی ایم ایف کا بے حد مطلوب 3 بلین ڈالر کا اسٹینڈ بائے اگریمنٹ (ایس بی اے) حاصل کر لیا اور دوست ممالک سے بروقت rollovers بھی حاصل کر لیے۔ علاوہ ازیں، آئی ایم ایف کے اہداف کی تعمیل جاری رکھنے کے غیر متزلزل عزم کے نتیجے میں حکومت آئی ایم ایف کے ساتھ پہلے اور دوسرے جائزوں میں اسٹاف لیول معاہدے تک پہنچنے میں بھی کامیاب ہو گئی۔ مزید برآں، حکومت نے نئی کابینہ کی تشکیل کے بعد حکومت نے اعلان کر دیا ہے کہ آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6.0 بلین ڈالر کا نیا پروگرام حاصل کرنے کا ارادہ ہے۔

نگراں حکومت نے روپے پر قیاسی دباؤ کا سامنا کرنے کے بعد ستمبر 2023ء میں ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے غیر قانونی استعمال کے خلاف فیصلہ کن اقدام اٹھائے جس کی بدولت زیر مبادلہ کی شرح تیزی سے بحال ہوئی۔ اس کے نتیجے میں اوپن مارکیٹ اور انٹر بینک شرحوں کے درمیان فرق میں کمی ہوئی جس کی بدولت ترسیلات زر اور برآمدات میں بہتری آئی۔ حکومت کرنٹ اکاؤنٹ بیلنس کو کم کر رہی ہے، جس نے خارجی محاذ پر واضح صورتحال کے ساتھ ساتھ مقامی کرنسی کی مضبوطی ظاہر ہو رہی ہے۔ اختتام مدت پر ڈالر اور روپے کا فرق 277.9 تھا، جو آغاز سال کے مقابلے میں 2.9 فیصد زیادہ ہے۔

مالی سال 2024ء کے پہلے آٹھ ماہ میں ملک کا کرنٹ اکاؤنٹ کا خسارہ (سی اے ڈی) 1.0 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 3.8 بلین ڈالر کے مقابلے میں 74 فیصد YoY (سال در سال) کمی ہے۔ CAD میں کمی کی سب سے بڑی وجہ کاروباری خسارے میں کمی ہے۔ برآمدات میں 10.2 فیصد اضافہ اور درآمدات میں 8.8 فیصد کمی کی بدولت کاروباری خسارے میں 27.6 فیصد کمی ہوئی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زیر مبادلہ کے ذخائر، جو گزشتہ مالی سال کے اختتام پر 4.4 بلین ڈالر تھے، آئی ایم ایف، دوست ممالک اور کثیر الجہتی ذرائع سے آمدات کی بدولت بڑھ کر مارچ 2024ء تک 8.0 بلین ڈالر ہو گئے جس کی بدولت ملک کی خارجی صورتحال میں بہتری آئی۔

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

		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	137,218	47,311
Investments	5	321,415	298,966
Dividend and profit receivable		6,980	1,756
Advances, deposits and other receivables		4,930	4,928
Receivable against sale of investments		640	-
Total assets		471,183	352,961
LIABILITIES			
Payable to MCB Investment Management Limited - Management Company	6	1,926	1,073
Payable to Central Depository Company of Pakistan Limited - Trustee	7	87	65
Payable to the Securities and Exchange Commission of Pakistan (SECP)	8	33	70
Payable against purchase of investments		-	8,720
Payable against redemption of units		216	216
Accrued and other liabilities	7	9,724	9,822
Total liabilities		11,986	19,966
NET ASSETS		459,197	332,995
Unit holders' fund (as per statement attached)		459,197	332,995
Contingencies and commitments	8		
NUMBER OF UNITS IN ISSUE			
		28,984,865	30,207,113
NET ASSET VALUE PER UNIT			
		15.84	11.02

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

	Nine months period ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
Note	(Rupees in '000)			
INCOME				
Capital gain / (loss) on sale of investments - net	61,600	(6,044)	22,469	(1,650)
Dividend income	20,365	19,027	7,433	4,822
Income from government securities	2,825	3,855	-	126
Income from term finance certificates	-	9	-	(2)
Profit on bank deposits	16,854	9,977	7,234	4,136
Income on deposit with NCCPL exposure margin	192	149	47	54
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	71,688	(10,811)	(17,049)	4,827
Total income	173,524	16,162	20,134	12,313
EXPENSES				
Remuneration of MCB Investment Management Limited - Management Company	9,800	8,980	3,448	2,770
Sindh Sales tax on remuneration of the Management Company	1,274	1,167	448	360
Allocated expenses	276	268	111	83
Remuneration of Central Depository Company of Pakistan Limited - Trustee	623	544	228	172
Sindh sales tax on remuneration of the trustee	81	71	30	23
Selling and marketing expenses	858	-	560	-
Annual fee to the Securities and Exchange Commission of Pakistan	265	54	97	17
Securities transaction cost	1,112	995	301	497
Settlement and bank charges	329	345	71	129
Fees and subscription	-	21	-	7
Auditors' remuneration	567	668	170	164
Printing and related costs	66	27	15	13
Legal and professional charges	193	157	100	77
Total operating expenses	15,444	13,297	5,579	4,312
Net income for the period before taxation	158,081	2,865	14,556	8,001
Taxation	9	-	-	-
Net income for the period after taxation	158,081	2,865	14,556	8,001
<i>Allocation of net income for the period:</i>				
Net income for the period after taxation	158,081	2,865		
Income already paid on units redeemed	(8,330)	(99)		
	149,750	2,766		
<i>Accounting income available for distribution:</i>				
- Relating to capital gains	126,208	-		
- Excluding capital gains	23,543	2,766		
	149,750	2,766		
Earnings per unit	10			

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

	Nine months period ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
	(Rupees in '000)			
Net income for the period after taxation	158,081	2,865	14,556	8,001
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	158,081	2,865	14,556	8,001

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months period ended March 31, 2024			Nine months period ended March 31, 2023		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)					
Net assets at the beginning of the period	311,562	21,433	332,995	372,388	9,221	381,609
Issuance of 6,533,361 units (2023: 925,139 units):						
- Capital value (at net asset value per unit at the beginning of the period)	71,998	-	71,998	9,850	-	9,850
- Element of income	10,681	-	10,681	(22)	-	(22)
	82,679	-	82,679	9,828	-	9,828
Redemption of 7,755,610 units (2023: 5,546,197 units):						
- Capital value (at net asset value per unit at the beginning of the period)	85,470	-	85,470	59,053	-	59,053
- Element of income / (loss)	8,678	8,330	17,008	945	99	1,044
	94,148	8,330	102,478	59,998	99	60,097
Total comprehensive income for the period	-	158,081	158,081	-	2,865	2,865
Distribution during the period	(12,080)		(12,080)	-	-	-
Net assets at the end of the period	<u>288,013</u>	<u>171,183</u>	<u>459,197</u>	<u>322,218</u>	<u>11,987</u>	<u>334,205</u>
Accumulated Income brought forward comprising of:						
- Realised gain	27,052			44,947		
- Unrealised (loss) / gain	(5,619)			(35,726)		
Accumulated Income	21,433			9,221		
Net Income for the period	149,750			2,766		
Undistributed income carried forward	<u>171,183</u>			<u>11,987</u>		
Undistributed income carried forward comprising of:						
- Realised gain	99,495			22,798		
- Unrealised gain	71,688			(10,811)		
	<u>171,183</u>			<u>11,987</u>		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	11.02			10.65		
Net asset value per unit at the end of the period	<u>15.84</u>			<u>10.70</u>		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months period ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	158,081	2,865
Adjustments for:		
Dividend income	(20,365)	(19,027)
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss	(71,688)	10,811
	66,028	(5,351)
Decrease / (increase) in assets		
Investments - net	49,239	156,087
Receivable against sale of investments	(640)	(2,942)
Dividend and profit receivables	(874)	(903)
Advances, deposits and other receivables	(2)	(8)
	47,723	152,234
Increase / (decrease) in liabilities		
Payable to MCB Investment Management Limited - Management Company	853	(126)
Payable to Central Depository Company of Pakistan Limited - Trustee	22	(4)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(37)	(35)
Payable against purchase of investments	(8,720)	(27,119)
Accrued and other liabilities	(98)	256
	(7,980)	(27,028)
Dividend received	16,015	15,167
Net cash generated from operating activities	121,785	135,022
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	82,680	9,828
Payments on redemption of units	(102,478)	(60,097)
	(12,080)	(50,269)
Net cash used in financing activities	(31,878)	(50,269)
Net increase in cash and cash equivalents during the period	89,907	84,753
Cash and cash equivalents at the begin ning of the period	47,311	41,404
Cash and cash equivalents at the end of the period	10 137,218	126,157

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments limited (Now: MCB Investment Management Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Funds are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the Fund had been registered under the Sindh Trust Act.

In April 2023, MCB Bank Limited acquired the entire shareholding of Arif Habib Corporation Limited (AHCL) in MCB Arif Habib Savings and Investments Limited after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 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. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities, secured debt securities, money market transactions and reverse re-purchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2023 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

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

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2023. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2023 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2023, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2023.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

2.1.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

2.1.4 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.

2.1.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2023.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
4	BALANCES WITH BANKS	----- (Rupees in '000) -----	
	In current accounts	1,137	2,791
	In saving accounts	136,081	44,520
		<u>137,218</u>	<u>47,311</u>

4.1 These carry profit at the rates ranging from 20.50% to 21.85% per annum (June 30, 2023: 12.75% to 19.5% per annum).

4.2 These include balance of Rs. 2.707 million (June 30, 2023: Rs. 1.857 million) maintained with MCB Bank Limited (a related party).

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
5	INVESTMENTS	----- (Rupees in '000) -----	
	Investment by category		
	At fair value through profit or loss		
	Listed equity securities	321,415	230,828
	Government securities	-	68,138
		<u>321,415</u>	<u>298,966</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

5.1 Listed equity securities - 'at fair value through profit or loss'

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

Name of the investee company	As at July 1, 2023	Purchases during the period	Sold during the period	As at March 31, 2024	As at March 31, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					Carrying Value	Market value	Unrealised (diminution) / appreciation	Net assets of the fund	Total investments	
Number of shares					Rupees in '000'			%		
Automobile Assembler										
Indus Motors Company Limited	-	3,400	3,400	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	-	17,000	17,000	-	-	-	-	-	-	0.01
Automobile Parts And Accessories										
Panther Tyres Limited	-	110,000	110,000	-	-	-	-	-	-	-
Thal Limited *	100	25,643	100	25,643	7,145	9,051	1,906	1.97	0.03	0.01
Cement										
D.G. Khan Cement Company Limited **	228,000	145,500	373,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	1,248,750	139,000	637,750	750,000	8,909	13,230	4,322	2.88	0.04	0.04
Kohat Cement Company Limited	30,300	-	30,300	-	-	-	-	-	-	-
Lucky Cement Limited	35,500	47,068	27,368	55,200	35,816	42,227	6,411	9.20	0.13	0.02
Maple Leaf Cement Factory Limited	655,000	513,600	653,600	515,000	15,533	18,324	2,791	3.99	0.06	0.02
Pioneer Cement Limited	-	38,000	-	38,000	4,445	4,854	409	1.06	0.02	0.05
Chemicals										
Archroma Pakistan Limited	3,800	2,100	-	5,900	2,794	2,436	(358)	0.53	0.01	0.02
Ittehad Chemicals Limited	-	30,000	-	30,000	1,362	1,170	(191)	0.25	0.00	0.03
Lucky Core Industries Limited	-	3,000	-	3,000	1,980	2,572	592	0.56	0.01	-
Commercial Banks										
Bank Alfalah Limited	152,247	733,500	510,247	375,500	20,603	19,665	(938)	4.28	1.59	0.03
Faysal Bank Limited	-	428,000	67,500	360,500	8,850	12,275	3,425	2.67	0.04	0.01
Habib Bank Limited	-	235,000	235,000	-	-	-	-	-	-	0.03
Habib Metropolitan Bank Limited	-	312,500	48,000	264,500	11,598	15,140	3,542	3.30	0.05	0.03
Meezan Bank Limited	117,000	164,600	159,600	122,000	13,463	26,062	12,599	5.68	0.08	0.03
National Bank Of Pakistan	-	110,000	-	110,000	4,462	4,209	(253)	0.92	0.01	0.03
United Bank Limited	59,000	111,500	115,500	55,000	6,981	10,025	3,045	2.18	0.03	0.01
Engineering										
International Steels Limited **	-	140,000	74,000	66,000	3,142	4,331	1,189	0.94	0.01	0.03
Mughal Iron & Steel Industries Limited	165,000	148,000	93,000	220,000	12,195	13,875	1,681	3.02	0.04	0.07
Fertilizer										
Engro Fertilizers Limited	40,000	-	40,000	-	-	-	-	-	-	-
Engro Corporation Limited	35,000	-	35,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	455,000	404,000	859,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	38,000	38,000	-	-	-	-	-	-	-
Food & Personal Care Products										
National Foods Limited *	60,000	4,000	29,300	34,700	3,438	5,661	2,222	1.23	0.02	0.02
Shezan International Limited	7,956	-	7,956	-	-	-	-	-	-	-
The Organic Meat Company Limited	112,210	-	112,210	-	-	-	-	-	-	-
Balance carried forward					162,714	205,107	42,393	44.66	2.17	0.49
Balance brought forward					162,714	205,107	42,393	44.66	2.17	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

Glass & Ceramics										
Shabbir Tiles & Ceramics Limited*	204,500	370,000	204,500	370,000	4,484	5,254	770	1.14	0.02	0.04
					4,484	5,254	770	1.14	0.02	0.04
Oil & Gas Exploration Company										
Mari Petroleum Company Limited	11,000	300	11,300	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	94,000	-	94,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	88,000	88,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil & Gas Marketing Companies										
Shell Pakistan Limited	22,000	-	22,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	80,000	-	80,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	7,400	-	7,400	3,398	3,543	145	0.77	0.01	0.01
Agp Limited	30,000	105,000	30,000	105,000	7,309	7,793	484	1.70	0.02	-
Citi Pharma limited	161,000	88,340	78,340	171,000	3,725	3,965	241	0.86	0.01	0.07
Ferozsons Laboratories Limited	24,000	-	6,200	17,800	2,436	3,906	1,470	0.85	0.01	0.05
Haleon Pakistan Limited	24,000	17,000	3,300	37,700	5,801	7,352	1,551	1.60	0.02	0.03
Highnoon Laboratories Limited	8,855	2,500	2,000	9,355	3,314	4,766	1,452	1.04	0.01	0.02
					25,982	31,326	5,344	6.82	0.10	0.18
Paper and Board										
Packages Limited	15,500	2,900	-	18,400	7,274	10,300	3,026	2.24	0.03	0.02
					7,274	10,300	3,026	2.24	0.03	0.02
Refinery										
Attock Refinery Limited	-	28,400	28,400	-	-	-	-	-	-	-
					-	-	-	-	-	-
Miscellaneous										
Synthetic Products Limited *	80,000	-	80,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Name of the investee company	As at July 1, 2023	Purchases during the period	Sold during the period	As at March 31, 2024	As at March 31, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					Carrying Value	Market value	Unrealised (diminution) / appreciation	Net assets of the fund	Total investments	
					Number of shares			Rupees in '000'		%
Power Generation And Distribution										
Hub Power Company Limited	200,000	19,000	101,008	117,992	9,088	14,309	5,221	3.12	0.04	0.01
Nishat (Chunian) Power Limited	-	275,000	-	275,000	7,170	7,208	38	1.57	0.02	0.05
					16,258	21,517	5,259	4.69	0.07	0.06
Tobacco										
Pakistan Tobacco Company Limited	4,000	6,500	50	10,450	6,424	11,735	5,311	2.56	0.04	-
					6,424	11,735	5,311	2.56	0.04	-
Technology & Communication										
Systems Limited	34,500	22,000	34,500	22,000	8,471	8,478	7	1.85	0.03	-
					8,471	8,478	7	1.85	0.03	-
Balance carried forward					231,608	293,717	62,109	63.96	2.44	0.30
Balance brought forward					231,608	293,717	62,109	64	2.44	0.30
Textile Composite										
Gul Ahmed Textile Mills Limited	250,022	140,000	175,000	215,022	3,869	4,260	391	0.93	0.01	0.05
Interloop Limited	312,574	44,000	101,883	254,691	9,216	19,089	9,873	4.16	0.06	0.02
Kohinoor Textile Mills Limited	90,541	-	90,541	-	-	-	-	-	-	0.02
Nishat (Chunian) Limited **	-	185,094	-	185,094	5,033	4,350	(684)	0.95	0.01	-
Nishat Mills Limited	-	32,000	32,000	-	-	-	-	-	-	0.01
					18,119	27,698	9,580	6.04	0.09	0.10
Total at March 31, 2024					249,727	321,415	71,688			
Total at June 30, 2023					236,349	230,828	(5,520)			

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

** These represents transactions in shares of related parties

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

- 5.1.1** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by Securities and Exchange Commission of Pakistan (SECP).

Name of security	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023
	--- (Number of shares) ---		----- (Rupees in '000) -----	
United Bank Limited	50,000	50,000	9,114	5,877
Fauji Cement Company Limited	500,000	500,000	8,820	5,880
Maple Leaf Cement Factory Limited	100,000	100,000	3,558	2,833
	<u>650,000</u>	<u>650,000</u>	<u>21,492</u>	<u>14,590</u>

- 5.1.2** There is no change in the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2023.

5.2 Government securities - 'at fair value through profit or loss'

Name of security	Date of issue	Face Value				As at March 31, 2024			Market value as	
		As at July 01, 2023	Purchased during the Period	Sold / matured during the Period	As at March 31, 2024	Carrying Value	Market value	Unrealised loss	Net assets	Total investments

----- (Rupees in '000) ----- %

Market Treasury Bills

- 3 months	July 13, 2023	-	500,000	500,000	-	-	-	-	-	-
- 3 months	August 10, 2023	-	90,000	90,000	-	-	-	-	-	-
- 3 months	June 15, 2023	71,000	-	71,000	-	-	-	-	-	-

Total as at March 31, 2024

-	-	-
---	---	---

Total as at June 30, 2023

<u>68,236</u>	<u>68,138</u>	<u>(98)</u>
---------------	---------------	-------------

(Un-Audited) (Audited)
March 31, June 30,
2024 2023

----- (Rupees in '000) -----

6 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration payable	6.1	1,178	925
Sindh sales tax payable on management remuneration	6.2	153	120
Marketing And Selling Payable		560	-
Allocated expenses payable		35	28
		<u>1,926</u>	<u>1,073</u>

- 6.1** The Management Company shall be entitled to an accrued remuneration equal to an amount up to 4% per annum of the average annual Net Assets of the Scheme calculated on daily basis, within allowed expense ratio limit.

- 6.2** Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2023: 13%)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
7	ACCRUED AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----
	Provision for Federal Excise Duty		
	- on Management fee	7.1	5,872
	- on sales load	7.1	393
	Legal and professional charges payable		41
	Auditors' remuneration payable		324
	Dividend payable		2,785
	Withholding tax payable		159
	Brokerage payable		57
	Other payables		93
			<u>9,724</u>
			<u>9,822</u>

7.1 Provision for Federal Excise Duty payable on Management fee

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2023. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2024 would have been higher by Re 0.2 (June 30, 2023: Re 0.21) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

9 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 for the year as reduced by capital gains 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 Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised 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 intends to distribute atleast 90% of the income earned by the Fund in cash during the year ending June 30, 2024 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

10 EARNINGS / LOSS PER UNIT

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

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 4.95% (March 31, 2023: 4.6%) which includes 0.56% (March 31, 2023: 0.48%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

12 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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

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

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

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

		(Un-Audited)	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
Details of transactions with connected persons are as follows:			
MCB Investment Management Limited - Management Company			
	Remuneration (including indirect taxes)	11,074	10,147
	Allocated expenses	276	268
	Selling and marketing expenses	858	-
12.1	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration for the period (including indirect taxes)	704	615
	Settlement Charges	43	9
MCB Bank Limited			
	Bank charges	9	10
	Profit on bank deposit	165	30
Nishat Mills Limited			
	Purchase of 32,000 (2023: 15,000) shares	2,331	1,043
	Sale of 32,000 (2023: 7,000) shares	2,289	4,060
	Dividend income	-	280
D.G Khan Cement Company Limited			
	Purchase of 145,500 (2023: 60,000) shares	7,236	3,249
	Sale of 373,500 (2022: 38,000) shares	18,515	7,173
	Dividend income	-	65
International Steel Mills			
	Purchase of 140,000 (2023: 60,000) shares	6,664	-
	Sale of 74,000 (2023: Nil) shares	5,155	-
	Dividend income	625	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

(Un-Audited) Audited
March 31, June 30,
2024 2023
----- (Rupees in '000) -----

12.2 Balances outstanding at period / year end:

MCB Investment Management

Limited - Management Company

Remuneration payable	1,178	925
Sindh sales tax payable on management remuneration	153	120
Allocated expenses payable	35	28
Selling & Marketing	560	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable (including indirect taxes)	87	65
Security deposit	300	300

Group / Associated Companies:

MCB Bank Limited

Balance with Bank	3,451	2,214
Profit receivable on bank deposit	35	35

D.G. Khan Cement Company Limited

Nil shares(June 30, 2023: 228,000)	-	11,696
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International Steels Limited

66,000 (2023: 40,500) shares held	4,331	-
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12.3 Transactions during the period with connected persons / related parties in units of the Fund:

Mar 31, 2024							
As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed/ conversion out / transfer out	As at Mar 31, 2024	As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed/ conversion out / transfer out	Amount outstandin g as at Mar 31, 2024
(Units)				(Rupees in '000)			

Key management personnel * & **	8	-	-	8	-	-	-
10% or more unitholders	3,500,802	112,078	-	3,612,880	-	1,190	57,228

* This reflects the position of related party / connected persons status as at March 31, 2024.

March 31, 2023 (Un-Audited)							
As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2023	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2023
(Units)				(Rupees in '000)			

Directors and executives of the Management Company*	8	-	-	8	1	-	1
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* This reflects the position of related party / connected persons status as at March 31, 2023.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

13 GENERAL

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

13.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

14 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. 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 recognized 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).

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 22, 2024 by the Board of Directors of the Management Company.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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