

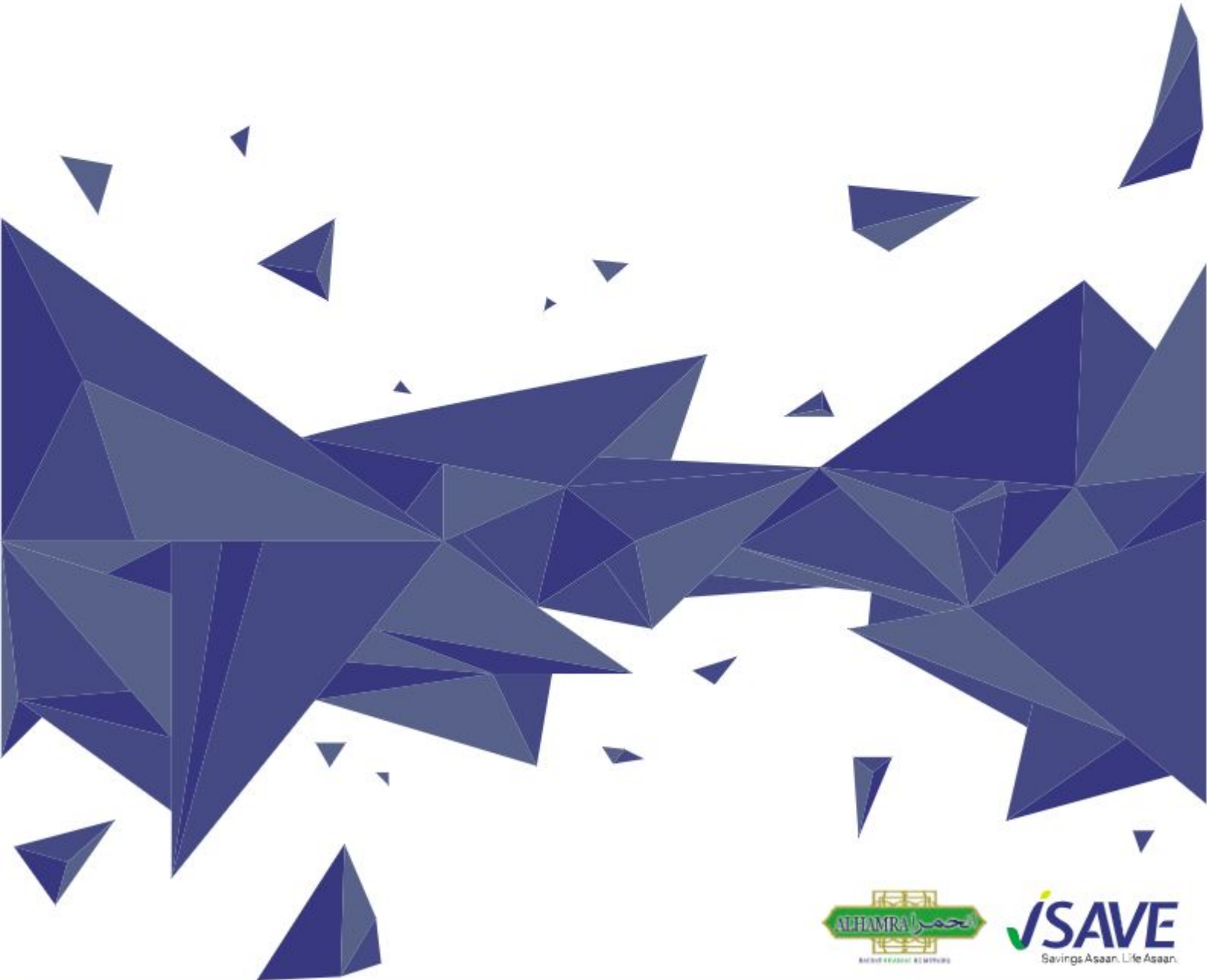


MCB FUNDS  
Investments for Life

# QUATERLY REPORT

SEPTEMBER  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



**MCB DCF FIXED RETURN FUND-I**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Shoaib Mumtaz</b> Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman <b>Director</b> Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir <b>Mr. Shoaib Mumtaz</b> Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	<b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain <b>Mr. Khawaja Khalil Shah</b>	<b>Member</b> <b>Member</b> <b>Member</b> <b>Member</b>
<b>Chief Executive Officer</b> <b>Chief Operating Officer &amp; Chief Financial Officer</b>	<b>Mr. Khawaja Khalil Shah</b>  Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	<b>MCB Bank Limited</b>	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shakra-e-Faisal, Karachi-75350.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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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 quarter ended September 30, 2024.

### **Economy Review**

The new fiscal year began on a positive note with the government securing a staff-level agreement with the IMF for a 37-month Extended Fund Facility (EFF) worth approximately USD 7.0 billion. However, the formal approval was delayed due to the government's struggle to secure debt rollovers from friendly countries. After Pakistan fulfilled all preconditions the IMF Executive Board approved the program on September 27, 2024. Subsequently, the State Bank of Pakistan (SBP) received the first tranche of USD 1.0 billion, bolstering foreign exchange reserves and strengthening the currency as the USD/PKR parity appreciated by 0.2% in the quarter to close at 277.7.

The country posted a current account deficit (CAD) of USD 171mn in the first two months of the fiscal year 2025 (2MFY25) declining by 81% YoY compared to a deficit of USD 893mn in the corresponding period last year. The major contributor towards improving CAD was the remittances inflows which skyrocketed by 44.0% to USD 1.8bn. Trade Deficit increased by 21.7% YoY as exports rose by 7.2% while imports increased by 13.8% from a low base. The country's external position improved with SBP's foreign exchange reserves increasing to USD 10.7bn as of Sep-24 end compared to USD 9.4bn at the end of last fiscal year. This was on account of flows from IMF and multilateral sources.

Headline inflation represented by CPI averaged 9.2% during 1QFY25 compared to 29.0% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past nine months, a substantial drop in food prices aligning with global trends, and a reduction in international oil prices, which eased local fuel costs. Additionally, the base effect further contributed to the lower inflation figures.

As per the revised numbers the country's GDP grew by 2.5% in the financial year 2023-24 as compared to -0.2% last year. Agriculture grew by 6.4%, Services sector grew by 2.2% while industrial sector witnessed a decline of 1.2%. Historic high interest rates and inflation coupled with political uncertainty were the major culprits behind the subdued industrial and services output. On the fiscal side, FBR tax collection increased by 25.2% in 1QFY25 to PKR 2,556 billion, missing the target by PKR 96 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 IV was launched on July 04, 2024 with a promised return of 19.25%. The fund will mature on December 26, 2024.

MCB DCFFRP V was launched on July 13, 2024 with a promised return of 18.50%. The fund will mature on December 26, 2024.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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### **Economy & Market – Future Outlook**

Pakistan's GDP growth is projected to inch up to 2.8% in FY25, compared to 2.5% last year. The industrial and services sectors are expected to expand by 3.5% and 3.0%, respectively, driven by a gradual recovery in demand and the base effect. However, agricultural growth is likely to remain modest at 1.9%, constrained by the high base effect and flood-related damage to the cotton crop.

The new IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 12.7bn by year end on the back of flows from friendly countries, IMF and multilateral agencies. 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 0.6bn (0.1% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella. We are of the view that improvement in exports and remittances and increased comfort on the external side after entering into the IMF program will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close Jun-25 around 289.4.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in September 2024 clocked of 6.9% compared to a high of 38.0% in May 2023. This was the lowest reading in the last 44 months. The core inflation also remained on a declining trajectory, clocking at 10.4% (29 months low). We expect inflation to further decelerate in the coming months as base effect will become more pronounced. We anticipate CPI to average around 6.8% in FY25 compared to 23.9% in FY24. As the real interest rate remains significantly positive we foresee further interest cuts, expecting policy rate to decline around 13.0% 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 further monetary easing in the near term.

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 13.9% during 1QFY25 to PKR 2,931bn. Total money market funds grew by about 0.2% since Jun-24. Within the money market sphere, conventional funds showed a growth of 19.4% to PKR 751bn while Islamic funds declined by 17.7% to PKR 559bn. In addition, the total fixed Income and Fixed Rate funds increased by about 35.1% since Jun-24 to PKR 1,298bn while Equity and related funds increased by 5.6% to PKR 270bn.

In terms of the segment share, Money Market funds were the leader with a share of around 44.7%, followed by Income and fixed return funds with 44.3% and Equity and Equity related funds having a share of 9.2% as at the end of Sep-24.

### **Mutual Fund Industry Outlook**

Interest rates trajectory and expectations of further monetary easing shall continue to attract inflows in longer tenor instrument linked funds including Sovereign Funds and Income Funds. Money market funds should also benefit from higher liquidity as they are ideal for investors with a short-

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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term horizon and low risk profile. With improved external account post agreement with IMF, long-term investors may look to add equity exposure at these highly attractive levels. 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.

**Acknowledgement**

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,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
October 21, 2024



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**Manzar Mushtaq**  
Director  
October 21, 2024

## ڈائریکٹرز رپورٹ

19.4 فیصد اضافے کی وجہ سے 751 بلین ہو گئے جبکہ اسلامی فنڈز نے 17.7 فیصد کمی کی وجہ سے 559 بلین ہو گئے۔ مزید برآں، کل فکسڈ انکم اور فکسڈ ریٹ فنڈز جون 24 سے تقریباً 35.1 فیصد بڑھ کر 1,298 بلین ہو گئے جبکہ ایکویٹی اور متعلقہ فنڈز 5.6 فیصد بڑھ کر 270 بلین ہو گئے۔

سیگمنٹ شیئر کے لحاظ سے، منی مارکیٹ فنڈز تقریباً 44.7 فیصد کے شیئر کے ساتھ سرفہرست تھے، اس کے بعد انکم اور فکسڈ ریٹ فنڈز 44.3 فیصد کے ساتھ اور ایکویٹی اور ایکویٹی سے متعلقہ فنڈز کا حصہ ستمبر 24 کے آخر تک 9.2 فیصد تھا۔

### میوچل فنڈ انڈسٹری آؤٹ لک

شرح سود کی رفتار اور مزید مالیاتی نرمی کی توقعات طویل مدتی انشرومنٹ سے منسلک فنڈز بشمول Sovereign Funds اور Income Funds میں آمد کو راغب کرتی رہیں گی۔ منی مارکیٹ فنڈز کو بھی زیادہ لیکویڈٹی سے فائدہ اٹھانا چاہیے کیونکہ یہ قلیل مدتی افق اور کم رسک پروفائل والے سرمایہ کاروں کے لیے مثالی ہیں۔ IMF کے ساتھ بہتر ایکسٹرنل اکاؤنٹ پوسٹ ایگریمنٹ کے ساتھ، طویل مدتی سرمایہ کاران انتہائی پرکشش سطحوں پر ایکویٹی میں سرمایہ کاری کرنے کی کوشش کریں گے۔ ہمارے کام بغیر کسی رکاوٹ کے جاری 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۔

### اعتراف

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز 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،

*Masrur Mushtaq*

منظر مشتاق

ڈائریکٹر

21 اکتوبر، 2024

*Masrur Mushtaq*

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

21 اکتوبر، 2024

## ڈائریکٹر رپورٹ

دیتا ہے۔ ہم توقع کرتے ہیں کہ دوست ممالک، آئی ایم ایف اور کثیر جہتی ایجنسیوں کی جانب سے آنے والے بہاء کی وجہ سے سال کے آخر تک SBP کے ذخائر بڑھ کر 12.7 بلین ہو جائیں گے۔ تاہم، ہماری بیرونی پوزیشن اب بھی غیر یقینی ہے کیونکہ ہم چیلنجنگ عالمی حالات کی وجہ سے بین الاقوامی یورو بانڈ یا سکوک جاری کرنے کا امکان نہیں رکھتے ہیں۔ FDI اور RDA سے حاصل ہونے والی آمدنی کا بھی موجودہ معاشی چیلنجوں کی وجہ سے خاموش رہنے کا امکان ہے۔ اس طرح، ہمیں بیرونی خدشات کو دور کرنے کے لیے اس سال ایک پائیدار کرٹ اکاؤنٹ کو یقینی بنانا ہوگا۔ ہم FY25 میں 0.6 USD بلین (GDP کا 0.1 فیصد) کی CAD کی توقع کرتے ہیں کیونکہ IMF کی چھتری کے تحت استحکام کی پالیسی جاری رہنے کا امکان ہے۔ ہمارا خیال ہے کہ برآمدات اور ترسیلات زر میں بہتری اور آئی ایم ایف پروگرام میں داخل ہونے کے بعد بیرونی طرف سے استحکام میں اضافہ ہوگا اور قریب مدت میں کرنسی کو مستحکم رکھے گا۔ ہمیں توقع ہے کہ اس سال کرنسی کی قدر میں معمولی کمی PKR/USD کو جون 2025 کے قریب 289.4 پر بند کرے گی۔

بنیادی اثر اور نسبتاً مستحکم کرنسی کی وجہ سے افراط زر کی شرح میں کمی آنا شروع ہو گئی ہے۔ ستمبر 2024 میں ہیڈ لائن افراط زر کی تعداد مئی 2023 میں 38.0 فیصد کی بلند ترین شرح کے مقابلے میں 6.9 فیصد تک پہنچ گئی۔ یہ پچھلے 44 مہینوں میں سب سے کم ریڈنگ تھی۔ بنیادی افراط زر بھی گرتی ہوئی رفتار پر رہا، جو 10.4 فیصد (29 ماہ کی کم ترین سطح) پر پہنچ گیا۔ ہمیں توقع ہے کہ آنے والے مہینوں میں افراط زر مزید کم ہو جائے گا کیونکہ بنیادی اثر مزید واضح ہو جائے گا۔ ہم توقع کرتے ہیں کہ مالی سال 24 میں 23.9 فیصد کے مقابلے میں مالی سال 25 میں CPI اوسطاً 6.8 فیصد رہے گا۔ چونکہ حقیقی شرح سود نمایاں طور پر مثبت رہتی ہے، ہم مزید سود میں کٹوتیوں کی پیش گوئی کرتے ہیں، جون 2025 تک پالیسی کی شرح تقریباً 13.0 فیصد کم ہونے کی توقع رکھتے ہیں۔

قرض ہولڈرز کے لیے، ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈز سال بھر میں بغیر کسی رکاوٹ کے پالیسی شرحوں کے آئینہ دار رہیں گے۔ وسط سے طویل مدتی نقطہ نظر کے حامل سرمایہ کار بانڈ اور انکم فنڈز سے فائدہ اٹھا سکتے ہیں جہاں زیادہ مدت سود کی شرح کے نقطہ نظر کے تناظر میں سرمائے میں اضافے کے مواقع پیدا کرے گی۔ ہم نے انکم فنڈز میں حکومتی بانڈز شامل کیے ہیں تاکہ مستقبل قریب میں متوقع مزید مالیاتی نرمی سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈز انڈسٹری کے خالص اثاثے 1QFY25 کے دوران تقریباً 13.9 فیصد بڑھ کر 2,931 PKR بلین ہو گئے۔ 24 جون سے کل منی مارکیٹ فنڈز میں تقریباً 0.2 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرے میں، روایتی فنڈز

## ڈائریکٹرز رپورٹ

نظرہائی شدہ اعداد کے مطابق مالی سال 2023-2024 میں ملک کی جی ڈی پی میں گزشتہ سال -0.2 فیصد کے مقابلے میں 2.5 فیصد اضافہ ہوا۔ زراعت میں 6.4 فیصد اضافہ ہوا، خدمات کے شعبے میں 2.2 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 1.2 فیصد کمی دیکھی گئی۔ صنعتی اور خدمات کے آؤٹ پٹ میں کمی کے پیچھے تاریخی بلند شرح سود اور مہنگائی کے ساتھ سیاسی غیر یقینی صورتحال سب سے بڑے مجرم تھے۔ مالیاتی پہلو پر، FBR کی ٹیکس وصولی 1QFY25 میں 25.2 فیصد بڑھ کر 2,556 بلین روپے ہو گئی، جو ہدف 96 ارب روپے سے کم ہے۔

### 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 مپچور ہو جائے گا۔

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

ایم سی بی ڈی سی ایف ایف آر پی - IV کا آغاز 04 جولائی 2024 کو 19.25 فیصد کے ریٹرن کے وعدے کے ساتھ شروع کیا گیا تھا۔ فنڈ 26 دسمبر 2024 کو مپچور ہو جائے گا۔

ایم سی بی ڈی سی ایف ایف آر پی - V کا آغاز 13 جولائی 2024 کو 18.50 فیصد کے ریٹرن کے وعدے کے ساتھ شروع کیا گیا تھا۔ فنڈ 26 دسمبر 2024 کو مپچور ہو جائے گا۔

### معیشت اور مارکیٹ - مستقبل کا آؤٹ لک

پاکستان کی جی ڈی پی کی شرح نمو FY 25 میں 2.8 فیصد تک رہنے کا امکان ہے، جو کہ گزشتہ سال 2.5 فیصد تھی۔ صنعتی اور خدمات کے شعبوں میں بالترتیب 3.5 فیصد اور 3.0 فیصد کی توسیع متوقع ہے، جس کی وجہ طلب میں بتدریج بحالی اور بنیادی اثر ہے۔ تاہم، زرعی نمو 1.9 فیصد پر معمولی رہنے کا امکان ہے، جو کہ اعلیٰ بنیادی اثر اور کپاس کی فصل کو سیلاب سے متعلقہ نقصانات کی وجہ سے محدود ہے۔

آئی ایم ایف کا نیا پروگرام کلیدی مثبت ہے کیونکہ یہ ہمیں دو طرفہ اور کثیر جہتی ذرائع سے فنڈنگ حاصل کرنے کی اجازت

## ڈائریکٹرز رپورٹ

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے ایم سی بی ڈی سی ایف فکسڈ ریٹرن پلانز، جو ایم سی بی ڈی سی ایف سی ایف فکسڈ ریٹرن فنڈ کے تحت ہے، کے 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے اکاؤنٹس کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

### معیشت کا جائزہ

نئے مالی سال کا آغاز مثبت ہوا جب حکومت نے IMF کے ساتھ 37 ماہ کے توسیعی فنڈ سہولت (EFF) کے لیے تقریباً 7.0 بلین امریکی ڈالر کا اسٹاف لیول معاہدہ کیا۔ تاہم، حکومت کی جانب سے دوست ممالک سے قرضوں کی واپسی کے لیے جدوجہد کی وجہ سے رسمی منظوری میں تاخیر ہوئی۔ پاکستان کی جانب سے تمام پیشگی شرائط پوری کرنے کے بعد IMF کے ایگزیکٹو بورڈ نے 27 ستمبر 2024 کو پروگرام کی منظوری دی۔ اس کے بعد، اسٹیٹ بینک آف پاکستان (SBP) کو 1.0 بلین امریکی ڈالر کی پہلی قسط موصول ہوئی، جس سے زرمبادلہ کے ذخائر میں اضافہ ہوا اور کرنسی کو PKR/USD کے طور پر مضبوط کیا گیا جس کی برابری سہ ماہی میں 0.2 فیصد سے بڑھ کر 277.7 پر بند ہوئی۔

ملک نے مالی سال 2025 (2MFY25) کے پہلے دو مہینوں میں 171 USD بلین کا کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جس میں گزشتہ سال کی اسی مدت میں 893 USD بلین کے خسارے کے مقابلے میں 81 فیصد YoY کی کمی واقع ہوئی۔ CAD کو بہتر بنانے میں سب سے بڑا حصہ ترسیلات زر کا تھا جو 44.0 فیصد اضافے سے 1.8 USD بلین تک پہنچ گیا۔ تجارتی خسارے میں سالانہ 21.7 فیصد اضافہ ہوا جیسا کہ برآمدات میں 7.2 فیصد اضافہ ہوا جبکہ کم بنیاد درآمدات میں 13.8 فیصد اضافہ ہوا۔ SBP کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے آخر میں 9.4 USD بلین کے مقابلے میں ستمبر 2024 کے آخر تک بڑھ کر 10.7 USD بلین تک پہنچنے جو ملک کی بیرونی پوزیشن میں بہتری کا سبب بنے۔ یہ آئی ایم ایف اور کثیر جہتی ذرائع سے آنے والے بہاؤ کی وجہ سے تھا۔

1QFY25 کے دوران CPI کی طرف سے پیش کردہ ہیڈ لائن افراط زر کی اوسط 9.2 فیصد رہی جو پچھلے سال کی اسی مدت میں 29.0 فیصد تھی۔ اس تیزی سے گراؤ کی وجہ گزشتہ نو مہینوں کے دوران کرنسی کے استحکام، عالمی رجحانات کے مطابق خوراک کی قیمتوں میں خاطر خواہ کمی، اور تیل کی بین الاقوامی قیمتوں میں کمی، جس سے ایندھن کی مقامی قیمتوں میں نرمی آئی ہے۔ مزید برآں، بنیادی اثر نے افراط زر کے کم اعداد و شمار میں مزید حصہ ڈالا۔

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2024

September 30, 2024							
Note	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	Total	
(Rupees '000')							
<b>ASSETS</b>							
Bank balances	4	233	10,132	-	73,184	26,405	109,954
Investments	5	1,319,338	1,484,008	-	6,568,524	1,051,350	10,423,220
Profit receivable on bank deposit		4	144	-	1,012	374	1,534
<b>Total assets</b>		<b>1,319,575</b>	<b>1,494,284</b>	<b>-</b>	<b>6,642,721</b>	<b>1,078,129</b>	<b>10,534,708</b>
<b>LIABILITIES</b>							
Payable to MCB Investment Management Limited - Management Company	6	3,280	3,251	-	5,632	2,450	14,613
Payable to Central Depository Company of Pakistan Limited - Trustee	7	68	77	-	342	55	542
Payable to Securities and Exchange Commission of Pakistan	8	81	91	-	405	66	643
Dividend payable		-	-	-	-	-	-
Accrued expense and other liabilities	9	-	7	-	-	44	51
<b>Total liabilities</b>		<b>3,429</b>	<b>3,426</b>	<b>-</b>	<b>6,379</b>	<b>2,615</b>	<b>15,849</b>
<b>NET ASSETS</b>		<b>1,316,146</b>	<b>1,490,858</b>	<b>-</b>	<b>6,636,342</b>	<b>1,075,514</b>	<b>10,518,859</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,316,146</b>	<b>1,490,858</b>	<b>-</b>	<b>6,636,342</b>	<b>1,075,514</b>	<b>12,131,918</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10						
<b>NUMBER OF UNITS IN ISSUE</b>		<b>12,510,615</b>	<b>14,167,344</b>	<b>-</b>	<b>62,896,693</b>	<b>10,259,378</b>	<b>99,834,030</b>
<b>NET ASSETS VALUE PER UNIT</b>		<b>105.2024</b>	<b>105.2320</b>	<b>-</b>	<b>105.5118</b>	<b>104.8322</b>	

The annexed notes 1 to 16 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2024**

June 30, 2024					
Note	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total	
(Rupees '000')					
<b>ASSETS</b>					
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
<b>Total assets</b>		<b>1,262,344</b>	<b>1,421,943</b>	<b>2,007,201</b>	<b>4,691,488</b>
<b>LIABILITIES</b>					
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
<b>Total liabilities</b>		<b>8,662</b>	<b>1,503</b>	<b>55</b>	<b>10,220</b>
<b>NET ASSETS</b>		<b>1,253,682</b>	<b>1,420,440</b>	<b>2,007,146</b>	<b>4,681,268</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,253,682</b>	<b>1,420,440</b>	<b>2,007,146</b>	<b>4,681,268</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>12,510,615</b>	<b>14,174,263</b>	<b>20,037,978</b>	<b>46,722,856</b>
		----- (Rupees) -----			
<b>NET ASSETS VALUE PER UNIT</b>		<b>100.2094</b>	<b>100.2126</b>	<b>100.1671</b>	

The annexed notes 1 to 16 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Note	For the period from Jul 01, 2024 To Sep 30, 2024	For the period from Jul 01, 2024 To Sep 30, 2024	For the period from Jul 01, 2024 To Jul 11, 2024	For the period from Jul 03, 2024 To Sep 30, 2024	For the period from Jul 12, 2024 To Sep 30, 2024	Total
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	
(Rupees '000')						
<b>INCOME</b>						
Investments at fair value through profit or loss:						
	-	-	-	-	-	-
	-	-	-	-	-	-
	63,761	71,498	11,304	299,862	42,097	488,522
5.1	2,319	2,826	200	48,279	7,763	61,387
	116	575	1,148	6,343	2,840	11,022
	-	-	-	-	2	2
<b>Total income</b>	<b>66,196</b>	<b>74,899</b>	<b>12,652</b>	<b>354,484</b>	<b>52,702</b>	<b>560,933</b>
<b>EXPENSES</b>						
6.1	2,852	2,828	12	4,897	2,130	12,719
6.2	428	424	2	735	320	1,909
7.1	178	202	33	866	128	1,407
7.2	27	30	5	130	19	211
8	243	275	45	1,181	174	1,918
	4	3	1	2	5	15
<b>Total operating expenses</b>	<b>3,732</b>	<b>3,762</b>	<b>99</b>	<b>7,811</b>	<b>2,776</b>	<b>18,180</b>
<b>Net income for the period before taxation</b>	<b>62,464</b>	<b>71,137</b>	<b>12,553</b>	<b>346,673</b>	<b>49,926</b>	<b>542,754</b>
13	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>62,464</b>	<b>71,137</b>	<b>12,553</b>	<b>346,673</b>	<b>49,926</b>	<b>542,754</b>
<b>Allocation of net income for the period</b>						
	62,464	71,137	12,553	346,673	49,926	542,754
	-	(26)	-	-	(350)	(376)
	<b>62,464</b>	<b>71,111</b>	<b>12,553</b>	<b>346,673</b>	<b>49,576</b>	<b>542,378</b>
<b>Accounting income available for distribution</b>						
	2,319	2,827	200	48,279	7,806	61,431
	60,145	68,284	12,353	298,394	41,771	480,947
	<b>62,464</b>	<b>71,111</b>	<b>12,553</b>	<b>346,673</b>	<b>49,576</b>	<b>542,378</b>
<b>Earnings per unit</b>	3.10					

The annexed notes 1 to 16 form an integral part of these financial statements.

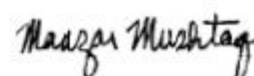
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	For the period from Jul 01, 2024 To Sep 30, 2024	For the period from Jul 01, 2024 To Sep 30, 2024	For the period from Jul 01, 2024 To Jul 11, 2024	For the period from Jul 03, 2024 To Sep 30, 2024	For the period from Jul 12, 2024 To Sep 30, 2024	Total
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	
	(Rupees '000')					
<b>Net income for the period after taxation</b>	62,464	71,137	12,553	346,673	49,926	542,754
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>62,464</b>	<b>71,137</b>	<b>12,553</b>	<b>346,673</b>	<b>49,926</b>	<b>542,754</b>

The annexed notes 1 to 16 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



## CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Note	For the period from Jul 01, 2024 To Sep 30, 2024	For the period from Jul 01, 2024 To Sep 30, 2024	For the period from Jul 01, 2024 To Jul 11, 2024	For the period from Jul 03, 2024 To Sep 30, 2024	For the period from Jul 12, 2024 To Sep 30, 2024	Total
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	
(Rupees '000')						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the period before taxation	62,464	71,137	12,553	346,673	49,926	542,754
<b>Adjustments for:</b>						
Unrealised gain on re-measurement of investments at	(2,319)	(2,826)	(200)	(48,279)	(7,763)	(61,387)
	60,145	68,311	12,353	298,394	42,163	481,366
<b>Increase in assets</b>						
Investments	(61,885)	(71,499)	2,004,896	(6,520,245)	(1,043,586)	(5,692,318)
Profit receivable on bank deposits	108	66	1,045	(1,012)	(374)	(167)
	(61,777)	(71,433)	2,005,941	(6,521,257)	(1,043,960)	(5,692,485)
<b>Increase in liabilities</b>						
Payable to Management Company	1,044	1,922	-	5,632	2,450	11,048
Payable to Trustee	5	4	(20)	342	55	386
Payable to Securities and Exchange Commission of Pakistan	4	2	(25)	405	66	452
Dividend payable	(6,286)	-	-	-	-	(6,286)
Accrued expense and other Liabilities	-	(5)	(10)	-	44	29
	(5,233)	1,923	(55)	6,379	2,615	5,629
<b>Net cash used in operating activities</b>	(6,865)	(1,199)	2,018,239	(6,216,484)	(999,182)	(5,205,490)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Amount received against issuance of units	-	-	2,511	6,289,669	1,038,588	7,330,768
Amount paid against redemption of units	-	(719)	-	-	(13,000)	(13,719)
Distributions made during the period	-	-	(12,553)	-	-	(12,553)
Paid to unit holder on maturity	-	-	(2,009,657)	-	-	(2,009,657)
<b>Net cash generated from financing activities</b>	-	(719)	(2,019,699)	6,289,669	1,025,588	7,304,496
<b>Net increase in cash and cash equivalents during the period</b>	(6,865)	(1,918)	(1,460)	73,184	26,405	2,099,006
Cash and cash equivalents at the beginning of the period	7,098	12,049	1,460	-	-	20,607
<b>Cash and cash equivalents at the end of the period</b> 13	233	10,132	-	73,184	26,405	2,119,613

The annexed notes 1 to 16 form an integral part of these financial statements.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

**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 Non-Banking 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** Below are details of the Plans which were launched, matured and active during the period.

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	Matured	20.65%
4	MCB DCF Fixed Return Fund Plan - IV	July 3, 2024	December 26, 2024	Active	19.25%
5	MCB DCF Fixed Return Fund Plan - V	July 12, 2024	December 26, 2024	Active	18.50%

- 1.5** 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.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM1 dated October 04, 2024 to the Management Company and a stability rating of 'AAA(f)' dated September 06, 2024 to the Fund.
- 1.7** 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;

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

- Provisions of and directives issued under the Companies Act, 2017, along with part VIII A 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 VIII A 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 VIII A 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 Covenants | 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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### **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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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### 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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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.

		September 30, 2024					
Note	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	Total	
(Rupees '000')							
<b>4. BANK BALANCES</b>							
In savings accounts	4.1	233	10,132	-	73,184	26,405	109,954

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

4.1 These balances are maintained with MCB Bank (a related party), and carry profit rates 16.00% for all plans as at Sep 30, 2024.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

Note	September 30, 2024				
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V
	(Rupees '000')				

5.1	1,319,338	1,484,008	-	6,568,524	1,051,350	10,423,220
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June 30, 2024						
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	Total
	1,255,134	1,409,684	2,004,696			4,669,514

**5. INVESTMENTS**

Financial assets 'at fair value through profit or loss' - net

Government securities

Market treasury bills

**5.1 Market treasury bills**

Tenor	Issue Date	Face value			As at September 30, 2024			Market value as a percentage of total Investments
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at Sep 30, 2024	Carrying value	Market value as a percentage of net assets	
<b>MCB DCF Fixed Return Plan I</b>								
Treasury bills - 12 months *	November 02, 2023	1,340,000	-	2,000	1,338,000	1,317,019	100	
<b>Total as at September 30, 2024</b>						1,317,019	100	
<b>MCB DCF Fixed Return Plan II</b>								
Treasury bills - 12 months *	November 02, 2023	1,505,000	-	-	1,505,000	1,481,182	100	
<b>Total as at September 30, 2024</b>						1,481,182	100	
<b>MCB DCF Fixed Return Plan III</b>								
Treasury bills - 12 months *	July 13, 2023	2,016,000	-	2,016,000	-	-	-	
<b>Total as at September 30, 2024</b>						-	-	
<b>MCB DCF Fixed Return Plan IV</b>								
Treasury bills - 12 months *	July 13, 2023	-	6,810,000	-	6,810,000	6,520,245	99	
<b>Total as at September 30, 2024</b>						6,520,245	99	
<b>MCB DCF Fixed Return Plan V</b>								
Treasury bills - 12 months *	July 13, 2023	-	1,090,000	-	1,090,000	1,043,586	98	
<b>Total as at September 30, 2024</b>						1,043,586	98	
<b>Total as at September 30, 2024 (Un-Audited)</b>						10,362,032		
Total as at June 30, 2024 (Audited)						4,667,365		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

		September 30, 2024					
		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	Total
<b>6. PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		(Rupees '000')					
Management remuneration payable	6.1	2,852	2,827	-	4,897	2,130	12,706
Sindh Sales Tax payable on management remuneration	6.2	428	424	-	735	320	1,907
		<b>3,280</b>	<b>3,251</b>	<b>-</b>	<b>5,632</b>	<b>2,450</b>	<b>14,613</b>

		June 30, 2024			
		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
<b>PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		(Rupees '000')			
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
		<b>2,236</b>	<b>1,329</b>	<b>-</b>	<b>3,565</b>

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 During the period, sales tax on management remuneration has been increased from 13% to 15%.

		September 30, 2024					
Note		MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	Total
<b>7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		(Rupees '000')					
Trustee remuneration payable	7.1	59	67	-	297	48	471
Sindh Sales Tax payable on trustee remuneration	7.2	9	10	-	45	7	71
		<b>68</b>	<b>77</b>	<b>-</b>	<b>342</b>	<b>55</b>	<b>542</b>

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

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 15% is charged on Trustee fee.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

**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.

September 30, 2024					
MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	Total
(Rupees '000')					
-	7	-	-	44	7
-	-	-	-	-	-
-	7	-	-	44	7

**9. ACCRUED EXPENSES AND OTHER LIABILITIES**

Withholding tax on capital gains  
Other payable

June 30, 2024			
MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	Total
-	12	-	12
-	-	10	10
-	12	10	22

**ACCRUED EXPENSES AND OTHER LIABILITIES**

Withholding tax on capital gains  
Other payable

**10. CONTINGENCIES AND COMMITMENTS**

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

**11. TOTAL EXPENSE RATIO**

**MCB DCF Fixed Return Fund Plan I**

The Annualized total expense ratio (TER) of the plan for the period ended September 30, 2024 is 1.15% which includes 0.22% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**MCB DCF Fixed Return Fund Plan II**

The Annualized total expense ratio (TER) of the plan for the period ended September 30, 2024 is 1.02 % which includes 0.20% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**MCB DCF Fixed Return Fund Plan III**

The total expense ratio (TER) of the plan for the period from Jul 01, 2024 to Jul 11, 2024 is 0.0049% which includes 0.0023% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**MCB DCF Fixed Return Fund Plan IV**

The total expense ratio (TER) of the plan for the period from Jul 03, 2024 to Sep 30, 2024 is 0.12% which includes 0.09% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**MCB DCF Fixed Return Fund Plan V**

The total expense ratio (TER) of the plan for the period from Jul 12, 2024 to Sep 30, 2024 is 0.26% which includes 0.21% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**12. TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

## 13. 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 owning 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:

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

	For the period	For the period	For the period	For the period	For the period	Total
	To	To	To	To	To	
	Sep 30, 2024	Sep 30, 2024	Jul 11, 2024	Sep 30, 2024	Sep 30, 2024	
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	
(Rupees '000')						
<b>MCB Investment Management Limited - Management Company</b>						
Remuneration (including indirect taxes)	3,280	3,252	15	5,632	2,450	14,629
Allocated expenses	-	-	-	-	-	-
Marketing and Selling Expenses	-	-	-	-	-	-
	<u>3,280</u>	<u>3,252</u>	<u>15</u>	<u>5,632</u>	<u>2,450</u>	<u>14,629</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration (including indirect taxes)	205	232	38	996	147	1,618
<b>MCB Bank Limited</b>						
Bank charges	4	3	1	2	5	15
Profit on balances with banks	116	575	1,148	6,343	2,840	11,022
	<u>120</u>	<u>578</u>	<u>1,149</u>	<u>6,345</u>	<u>2,845</u>	<u>11,037</u>

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

	September 30, 2024					Total
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	MCB DCF FRF Plan - IV	MCB DCF FRF Plan - V	
(Rupees '000')						
<b>MCB Investment Management Limited - Management Company</b>						
Management remuneration payable	2,852	2,827	-	4,897	2,130	12,706
Sindh Sales tax payable on management remuneration	428	424	-	735	320	1,907
Allocated expenses	-	-	-	-	-	-
Marketing and selling expenses	-	-	-	-	-	-
	<u>3,280</u>	<u>3,251</u>	<u>-</u>	<u>5,632</u>	<u>2,450</u>	<u>14,613</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee remuneration payable	59	67	-	297	48	471
Sindh Sales tax payable on trustee remuneration	9	10	-	45	7	71
	<u>68</u>	<u>77</u>	<u>-</u>	<u>342</u>	<u>55</u>	<u>542</u>
<b>MCB Bank Limited</b>						
Balance with bank	233	10,132	-	73,184	26,405	109,954
Profit receivable on bank balances	4	144	-	1,012	374	1,534
	<u>237</u>	<u>10,276</u>	<u>-</u>	<u>74,196</u>	<u>26,779</u>	<u>111,488</u>

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

	June 30, 2024			Total
	MCB DCF FRF Plan - I	MCB DCF FRF Plan - II	MCB DCF FRF Plan - III	
(Rupees '000')				
<b>MCB Investment Management Limited - Management Company</b>				
Management remuneration payable	-	-	1,287	1,982
Sindh Sales tax payable on management remuneration	-	-	165	258
Allocated expenses	-	-	178	298
Marketing and selling expenses	-	-	626	1,027
	<u>-</u>	<u>-</u>	<u>2,256</u>	<u>3,565</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee remuneration payable	-	-	56	130
Sindh Sales tax payable on trustee remuneration	-	-	7	17
	<u>-</u>	<u>-</u>	<u>63</u>	<u>156</u>

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

	September 30, 2024							
	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024
Units								
<b>MCB DCF FIXED RETURN PLAN - I</b>								
Group associated companies								
Nehal Power Limited	10,297,678	-	-	10,297,678	1,031,924	-	-	1,063,838
<b>MCB DCF FIXED RETURN PLAN - II</b>								
Unit holders holding 10% or more	7,280,748	-	-	7,280,748	729,623	-	-	786,168
<b>MCB DCF FIXED RETURN PLAN - III</b>								
Unit holders holding 10% or more	20,037,978	-	-	20,037,978	2,007,146	-	-	2,007,146
<b>MCB DCF FIXED RETURN PLAN - IV</b>								
Unit holders holding 10% or more	-	53,803,850	-	53,803,850	-	5,377,593	-	5,676,941
<b>MCB DCF FIXED RETURN PLAN - V</b>								
Unit holders holding 10% or more	-	5,548,362	-	5,548,362	-	554,698	-	581,647

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### 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 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).

### 15. GENERAL

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

15.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

### 16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 21, 2024 by the Board of Directors of the Management Company.

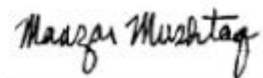
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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