

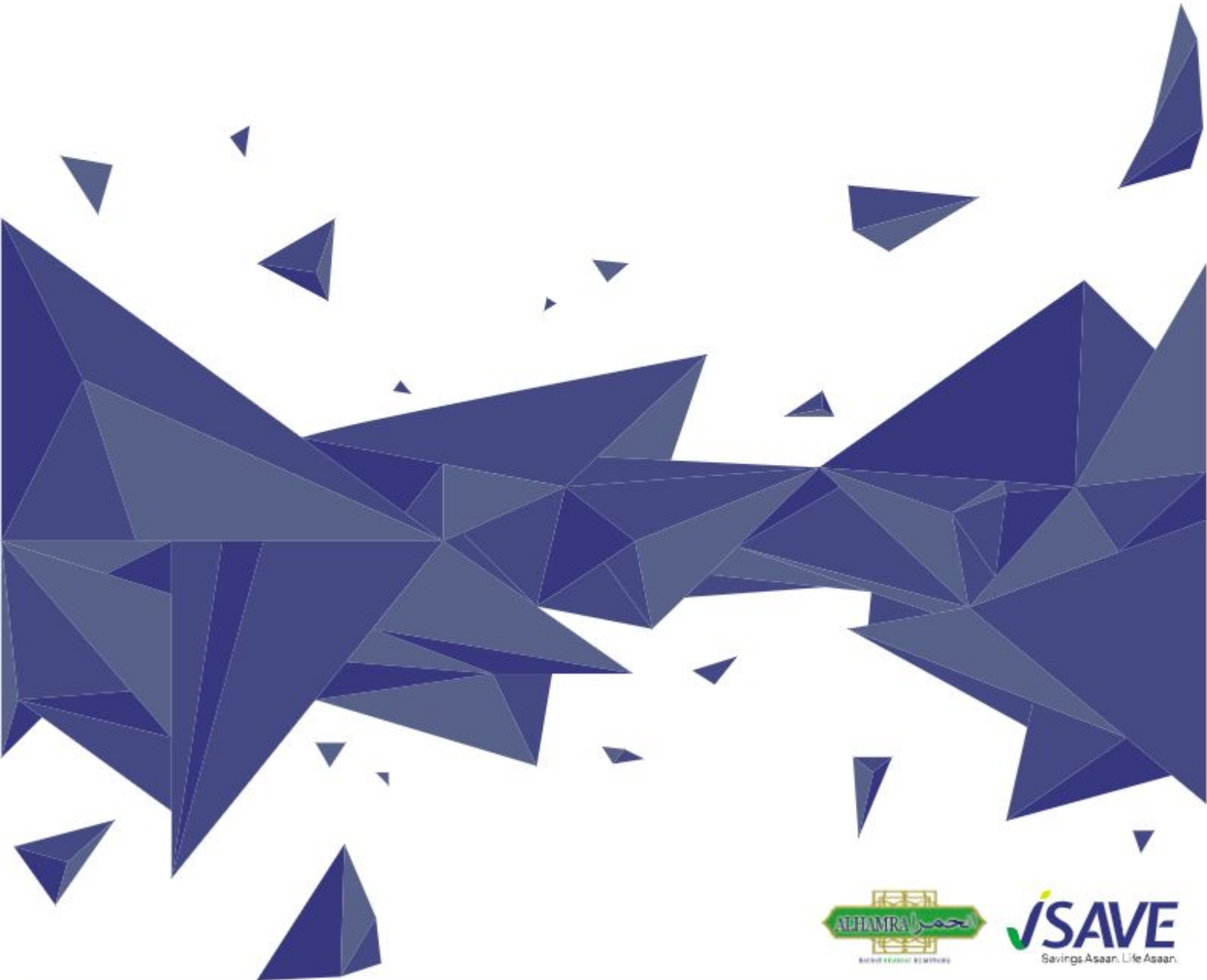


MCB FUNDS  
Investments for Life

# QUATERLY REPORT

SEPTEMBER  
**2024**  
(UNAUDITED)

**MCB KPK Govt. Employees Pension Fund** Managed by  
MCB Investment Management Limited



**MCB KPK GOVT. EMPLOYEES PENSION FUND**

---

---

## **Vision**

“To be the most coveted Savings and Investment company,  
while leading the effort to make the saving  
population and industry grow”

## **Mission**

“To be the preferred Savings and Investment Manager in Pakistan  
by being best in class in customer services  
and maximizing stakeholders’ value”

## **Core Values**

### **HONESTY**

We ensure to build trust through responsible actions and honest  
relationships with our colleagues, customers and stakeholders

### **INTEGRITY**

We work with integrity in everything we do, and embody our principles  
when working with stakeholders as well as internal and external customers.  
We assure to promote the integrity for the ultimate benefit for everyone

### **ETHICS**

As a trusted custodian of customer funds, we are committed to  
conforming to the highest level of ethical standards in the workplace  
that involves putting customer interest first and maintaining  
our stakeholders trust in the Company

### **PROFESSIONALISM**

We value everyone and treat our external and internal  
customers and our stakeholders with respect, dignity and professionalism

---

---

## TABLE OF CONTENTS

---

---

1	Fund's Information	04
2	Report of the Directors of the Pension Fund Manager	05
3	Condensed Interim Statement of Assets And Liabilities	12
4	Condensed Interim Income Statement (Un-audited)	13
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	14
6	Condensed Interim Statement of Movement in Participants Sub-Fund (Un-audited)	15
7	Condensed Interim Cash Flow Statement ( Un-audited)	16
8	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	17

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

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE QUARTER ENDED SEPTEMBER 30, 2024

---

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB KPK Government Employees Pension Fund** (*Fund launched on December 13, 2023*) 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**

The money market sub-fund generated an annualized return of 20.93% during the period. The fund's exposure towards cash stood at 13.2%.

The Net Assets of the Fund as at September 30, 2024 stood at Rs. 61.52 million. The Net Asset Value (NAV) per unit as at September 30, 2024 was Rs. 117.3088.

### **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%,

## **REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

---

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 IQFY25 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.

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE QUARTER ENDED SEPTEMBER 30, 2024

---

### 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-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,



---

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

## ڈائریکٹرز رپورٹ

میوچل فنڈ انڈسٹری آؤٹ لک

شرح سود کی رفتار اور مزید مالیاتی نرمی کی توقعات طویل مدتی انسٹرومنٹ سے منسلک فنڈز بشمول Sovereign Funds اور Income Funds میں آمد کو راغب کرتی رہیں گی۔ منی مارکیٹ فنڈز کو بھی زیادہ لیکویڈیٹی سے فائدہ اٹھانا چاہیے کیونکہ یہ قلیل مدتی افق اور کم رسک پر وفاکل 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،

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

21 اکتوبر، 2024

## ڈائریکٹر ز رپورٹ

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 19.4 فیصد اضافے کی وجہ سے 751 PKR بلین ہو گئے جبکہ اسلامی فنڈز نے 17.7 فیصد کمی کی وجہ سے 559 PKR 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 PKR 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۔

## ڈائریکٹر 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

منی مارکیٹ کے ذیلی فنڈ نے زیر جائزہ مدت کے دوران 20.93 فیصد کار ریٹرن دیا۔ ذیلی فنڈ کی کیش میں سرمایہ کاری 13.2 فیصد رہی۔

30 ستمبر 2024 تک فنڈ کے خالص اثاثے 61.52 ملین روپے تھے۔ 30 ستمبر 2024 تک نیٹ اثاثہ کی قیمت (NAV) نی یونٹ 117.3088 روپے تھی۔

### 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 دیتا ہے۔ ہم توقع کرتے ہیں کہ دوست ممالک، آئی ایم ایف اور کثیر جہتی ایجنسیوں کی جانب سے آنے والے بہاؤ کی وجہ سے سال کے آخر تک SBP کے ذخائر بڑھ کر USD 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 کرنٹ اکاؤنٹ کو یقینی بنانا ہوگا۔ ہم FY25 میں USD 0.6 بلین (GDP کا 0.1 فیصد) کی CAD کی توقع کرتے ہیں کیونکہ IMF کی چھتری کے تحت استحکام کی

## ڈائریکٹرز رپورٹ

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے ایم سی بی کے پی کے گورنمنٹ ایسپلائز پنشن فنڈ (فنڈ 13 دسمبر 2023 کو شروع کیا گیا) 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 2.0 فیصد رہی جو پچھلے سال کی اسی مدت میں 2.0 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				June 30, 2024					
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>ASSETS</b>	(Rupees)									
4 Balances with banks	576,535	576,233	576,297	8,107,401	9,836,466	550,107	547,459	547,477	20,975,451	22,620,494
5 Investment	-	-	-	53,306,145	53,306,145	-	-	-	21,247,171	21,247,171
6 Markup receivable	7,819	7,812	7,820	99,372	122,823	9,327	9,288	9,287	343,733	371,635
Other receivable	1,442	1,431	1,434	69,901	74,208	1,380	3,877	3,879	35,002	44,138
<b>Total assets</b>	<b>585,796</b>	<b>585,476</b>	<b>585,552</b>	<b>61,582,818</b>	<b>63,339,642</b>	<b>560,814</b>	<b>560,624</b>	<b>560,643</b>	<b>42,601,357</b>	<b>44,283,437</b>
<b>LIABILITIES</b>	(Rupees)									
Payable to the Pension Fund Manager	249	249	249	45,312	46,059	492	489	493	30,886	32,361
Payable to Trustee	249	249	249	8,524	9,271	494	494	498	5,866	7,351
Payable to the Securities and Exchange Commission of Pakistan-Annual fee	58	58	58	5,372	5,545	116	117	117	8,248	8,598
Accrued and other liabilities	-	-	-	4,676	4,676	-	-	-	367	367
<b>Total liabilities</b>	<b>556</b>	<b>556</b>	<b>556</b>	<b>63,884</b>	<b>65,552</b>	<b>1,102</b>	<b>1,100</b>	<b>1,108</b>	<b>45,367</b>	<b>48,676</b>
<b>NET ASSETS</b>	<b>585,240</b>	<b>584,920</b>	<b>584,995</b>	<b>61,518,935</b>	<b>63,274,090</b>	<b>559,712</b>	<b>559,524</b>	<b>559,534</b>	<b>42,555,990</b>	<b>44,234,761</b>
<b>REPRESENTED BY:</b>										
<b>PARTICIPANTS' SUB FUNDS</b>										
(As per statement attached)										
Contingencies and commitments	(Number of units)									
8	5,000	5,000	5,000	524,419		5,000	5,000	5,000	381,911	
<b>Number of units in issue</b>	(Rupees)									
	117,0480	116,9840	116,9991	117,3088		111,9424	111,9048	111,9069	111,4292	
<b>Net assets value per unit</b>										

The annexed notes from 1 to 17 form an integral part of these financial information.

**For MCB Investment Management Limited  
(Pension Fund Manager)**



Chief Executive Officer



Director

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

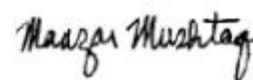
SEPTEMBER 30, 2024					
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees)				
<b>INCOME</b>					
Markup on bank accounts and other deposits	26,084	25,954	26,011	847,634	925,683
Capital Gain / (Loss) On Sale Of T-Bills	-	-	-	276,559	276,559
Amortization / Discount On Govt Sec Bills				1,570,869	1,570,869
Unrealised (diminution) on re-measurement of investment classified as 'financial asset at fair value through profit or loss' -net				211,321	211,321
<b>Total income</b>	<b>26,084</b>	<b>25,954</b>	<b>26,011</b>	<b>2,906,383</b>	<b>2,984,432</b>
<b>EXPENSES</b>					
Remuneration of Pension Fund Manager (including insurance charges)	218	220	216	104,550	105,205
Sindh sales tax on remuneration of Pension Fund Manager	33	33	32	15,313	15,411
Remuneration of Trustee	213	213	209	20,146	20,782
Sales tax on remuneration of Trustee	35	35	35	3,021	3,126
Securities and Exchange Commission of Pakistan (SECP)- Annual Fee	58	57	57	5,373	5,545
Brokerage Expense	-	-	-	4,309	4,309
<b>Total expenses</b>	<b>557</b>	<b>558</b>	<b>550</b>	<b>152,713</b>	<b>154,377</b>
<b>Net income before taxation</b>	<b>25,528</b>	<b>25,396</b>	<b>25,461</b>	<b>2,753,671</b>	<b>2,830,055</b>
Taxation	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>25,528</b>	<b>25,396</b>	<b>25,461</b>	<b>2,753,671</b>	<b>2,830,055</b>
<b>Earnings per unit</b>					

The annexed notes from 1 to 17 form an integral part of these financial information.

For MCB Investment Management Limited  
(Pension Fund Manager)



Chief Executive Officer



Director

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

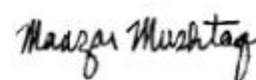
SEPTEMBER 30, 2024					
Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)					
<b>Net income for the period</b>	25,528	25,396	25,461	2,753,671	2,830,055
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>25,528</u>	<u>25,396</u>	<u>25,461</u>	<u>2,753,671</u>	<u>2,830,055</u>

The annexed notes from 1 to 17 form an integral part of these financial information.

For MCB Investment Management Limited  
(Pension Fund Manager)



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

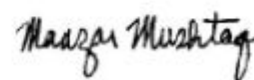
	SEPTEMBER 30, 2024				Total
	Equity Index	Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	<b>(Rupees)</b>				
<b>Net assets at the beginning of period</b>	559,712	559,524	559,534	42,555,990	44,234,761
Amount received on issue of units	-	-	-	16,209,275	16,209,275
Amount paid on redemption of units	-	-	-	-	-
	-	-	-	16,209,275	16,209,275
Net income for the period	25,528	25,396	25,461	2,753,671	2,830,055
<b>Net assets at the end of period</b>	585,240	584,920	584,995	61,518,935	63,274,090

The annexed notes from 1 to 17 form an integral part of these financial information.

For MCB Investment Management Limited  
(Pension Fund Manager)



Chief Executive Officer



Director

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

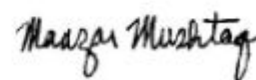
	SEPTEMBER 30, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>Note</b>	<b>(Rupees)</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income for the period	25,528	25,396	25,461	2,753,671	2,830,055
Adjustments for non cash items:	-	-	-	(211,321)	(211,321)
<b>(Increase) in assets</b>					
Investments	-	-	-	(31,847,653)	(31,847,653)
Profit receivable	1,508	1,476	1,467	244,361	248,812
Other receivables	(62)	2,446	2,445	(34,899)	(30,070)
	1,446	3,922	3,912	(31,638,191)	(31,628,911)
<b>Increase/ (Decrease) in liabilities</b>					
Payable to the Pension Fund Manager	(243)	(240)	(244)	14,426	13,699
Payable to Trustee	(245)	(245)	(249)	2,658	1,920
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	(58)	(59)	(59)	(2,876)	(3,052)
Accrued and other liabilities	-	-	-	4,309	4,309
	(545)	(544)	(552)	18,517	16,875
<b>Net cash generated / (used) from operating activities</b>	26,428	28,774	28,821	(29,077,324)	(28,993,302)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipt from issuance of units	-	-	-	16,209,275	16,209,275
Payments on redemption of units	-	-	-	-	-
<b>Net cash generated from financing activities</b>	-	-	-	16,209,275	16,209,275
<b>Net increase in cash and cash equivalents</b>	26,428	28,774	28,821	(12,868,050)	(12,784,027)
Cash and cash equivalents at beginning of the period	550,107	547,459	547,477	20,975,451	22,620,494
<b>Cash and cash equivalents at end of the period</b>	576,535	576,233	576,297	8,107,401	9,836,466

The annexed notes from 1 to 17 form an integral part of these financial information.

For MCB Investment Management Limited  
(Pension Fund Manager)



Chief Executive 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 KPK Govt. Employees' Pension Fund is established under a Trust deed executed between MCB Investment Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on June 21, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 05, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 13, 2023.
- 1.2** The Fund is an open-end pension fund consisting of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund. Units are offered on a continuous basis to employees of KPK Government appointed/ recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of KPK Government regularized as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022. Under the KPK Rules, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested in Money Market Sub Fund only. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested and shall not be redeemable/transferable or tradable for a minimum period of three (3) years from the launch date of the Fund. Following the initial three years of appointment/ recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document.
- 1.3** MCB Investment Management Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4** Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 04, 2024 to the Management Company.
- 1.5** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

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

---

---

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and the directives issued by the SECP.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

- 2.2** 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 period ended June 30, 2024. The comparatives in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2024 have been extracted from the audited financial statements of the Fund for the period ended 30 June 2024. However, the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement, and condensed interim statement of movement in participant's fund are not available as the Fund was not in operation for the quarter ended 30 September 2023.
- 2.3** 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.
- 2.4** 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.
- 2.5** 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, 2024. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.
- 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, 2024. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2024.



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

**6 MARKUP RECEIVABLES**

	September 30, 2024			June 30, 2024		
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Total
Note	----- (Rupees) -----					
6.1	7,819	7,812	7,820	99,372	122,823	371,635

Profit on  
Deposit accounts

6.1 These carry profit at the rate of 18.0% per annum (June 30, 2024: 20.5%)

**7 ACCRUED AND OTHER LIABILITIES**

	September 30, 2024			June 30, 2024		
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Total
Brokerage Fee payable	-	-	-	4,676	4,676	367

**8 NUMBER OF UNITS IN ISSUE**

	September 30, 2024			June 30, 2024		
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Total
	----- (Units) -----					
Total units outstanding at beginning of the period	5,000	5,000	5,000	381,911	396,911	-
Add: Units issued during the period	-	-	-	142,508	142,508	396,911
Less: Units redeemed during the period	-	-	-	-	-	-
Total units in issue at the end of the period	5,000	5,000	5,000	524,419	539,419	396,911

Total units outstanding at beginning of the period  
Add: Units issued during the period  
Less: Units redeemed during the period  
Total units in issue at the end of the period

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

**9 CONTRIBUTION TABLE**

	September 30, 2024				June 30, 2024	
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Total
	<b>(Rupees)</b>					
Opening balance	-	-	-	-	-	-
Issue of units	-	-	-	16,209,274	16,209,274	39,971,061
Redemption of units	-	-	-	-	-	-
Closing balance	-	-	-	16,209,274	16,209,274	39,971,061

**10 CONTINGENCIES AND COMMITMENTS**

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

**11 TAXATION**

The income of the Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

**12 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.

**13 TRANSACTIONS WITH CONNECTED PERSONS**

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

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

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

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**13.1 Transactions during the period:**

	September 30, 2024			September 30, 2023		
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Total
	(Rupees)					
<b>MCB Investment Management Limited - Pension Fund Manager</b>						
Remuneration (include indirect taxes)	251	253	249	119,864	120,616	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration (include indirect taxes)	248	248	244	23,167	23,908	-

**13.2 Balances at year end:**

	September 30, 2024			June 30, 2024		
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Total
	(Rupees)					
<b>MCB Investment Management Limited - Pension Fund Manager</b>						
Remuneration (include indirect taxes)	249	249	249	45,312	46,059	32,361
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration (include indirect taxes)	249	249	249	8,524	9,271	7,351

**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.

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

---

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

<b>Level 1:</b>	quoted prices in active markets for identical assets or liabilities;
<b>Level 2:</b>	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
<b>Level 3:</b>	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the period.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values at the reporting date.

## **15 EXPENSE RATIO**

### **15.1 Equity Sub Fund**

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2024 is 0.41% which includes 0.13% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

### **15.2 Equity Index Sub Fund**

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2024 is 0.41% which includes 0.13% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

### **15.3 Debt Sub Fund**

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2024 is 0.40% which includes 0.13% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

### **15.4 Money Market Sub**

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2024 is 1.14% which includes 0.18% representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

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

---

---

**16 GENERAL**

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

**16.2** 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.

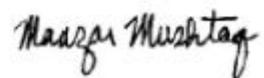
**17 DATE OF AUTHORISATION**

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  
(Pension Fund Manager)



Chief Executive Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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

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

URL: [www.mcbfunds.com](http://www.mcbfunds.com), Email: [info@mcbfunds.com](mailto:info@mcbfunds.com)