

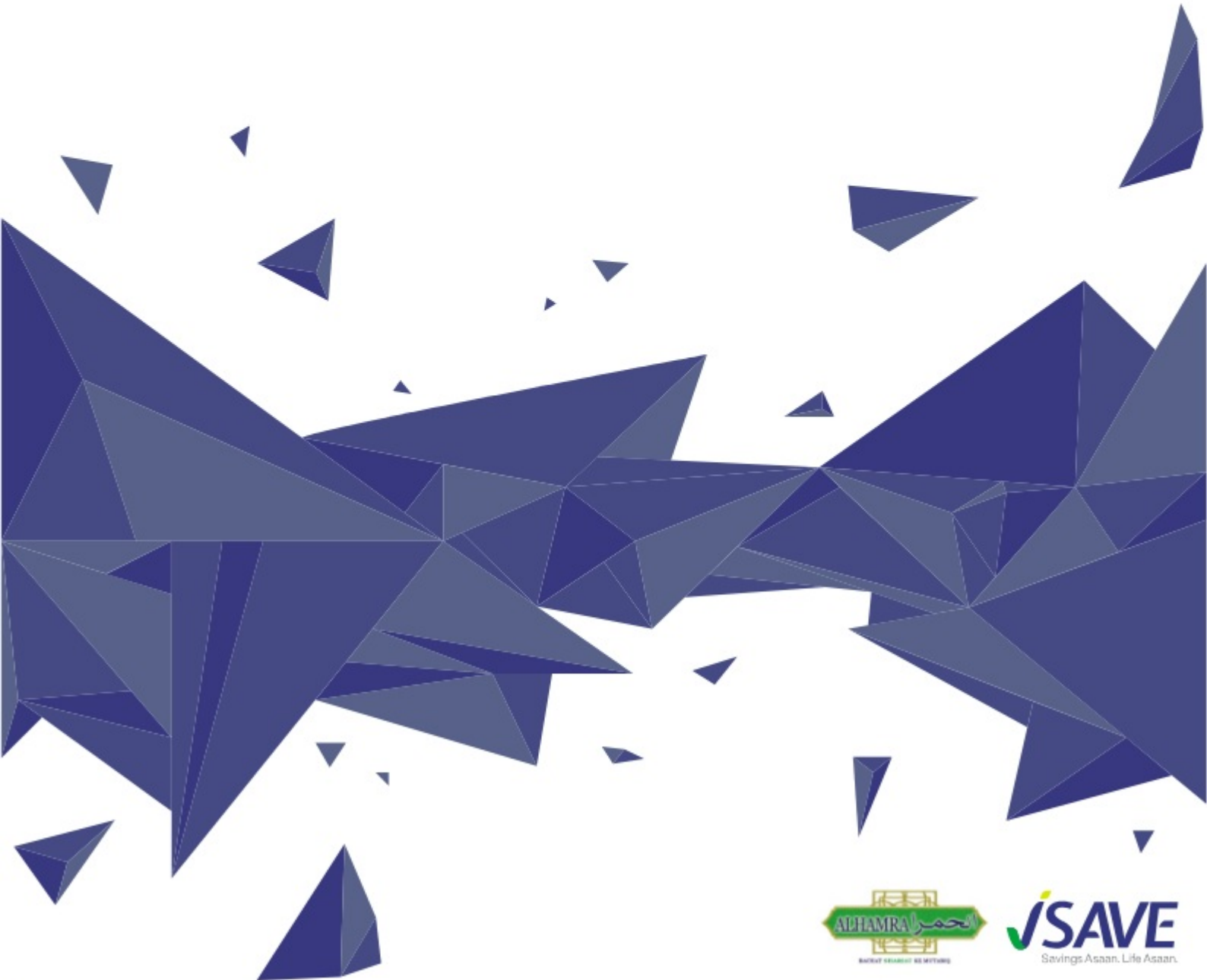


MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **MCB DCF FIXED RETURN FUND-II**

## TABLE OF CONTENTS

---

---

|    |   |     |
|----|---|-----|
| 1  | Fund's Information  | 740 |
| 2  | Report of the Directors of the Management Company   | 741 |
| 3  | Trustee Report to the Unit Holders  | 747 |
| 4  | Auditor's Report to the Unit Holders on Review of<br>Condensed Interim Financial Statements | 748 |
| 5  | Condensed Interim Statement of Assets And Liabilities                                       | 749 |
| 6  | Condensed Interim Income Statement (Un-audited)   | 750 |
| 7  | Condensed Interim Statement of Other Comprehensive Income (Un-audited)                      | 752 |
| 8  | Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)                 | 754 |
| 9  | Condensed Interim Cash Flow Statement ( Un-audited)   | 756 |
| 10 | Notes to and forming part of the Condensed Interim Financial Statements                     | 757 |

## FUND'S INFORMATION

|  |   |  |
|--|---|--|
| <b>Management Company</b>                                    | <b>MCB Investment Management Limited</b><br>Adamjee House, 2nd Floor,<br>I.I. Chundrigar Road, Karachi.   |  |
| <b>Board of Directors</b>                                    | Mr. Haroun Rashid<br><b>Mr. Muhammad Nauman Chughtai</b><br>Mr. Khawaja Khalil Shah<br>Mr. Ahmed Jahangir<br><b>Mr. Manzar Mushtaq</b><br><b>Mr. Fahd Kamal Chinoy</b><br>Syed Savail Meekal Hussain<br>Ms. Mavra Adil Khan | Chairman<br><b>Director</b><br>Chief Executive Officer<br>Director<br>Director<br>Director<br>Director<br>Director |
| <b>Audit Committee</b>                                       | Syed Savail Meekal Hussain<br>Mr. Ahmed Jahangir<br><b>Mr. Manzar Mushtaq</b>   | Chairman<br>Member<br>Member   |
| <b>Human Resource &amp; Remuneration Committee</b>           | <b>Mr. Fahd Kamal Chinoy</b><br>Mr. Ahmed Jahangir<br>Ms. Mavra Adil Khan<br><b>Mr. Khawaja Khalil Shah</b><br><b>Mr. Muhammad Nauman Chughtai</b>  | Chairman<br>Member<br>Member<br>Member<br>Member   |
| <b>Credit Committee</b>                                      | <b>Mr. Ahmed Jahangir</b><br><b>Mr. Manzar Mushtaq</b><br>Syed Savail Meekal Hussain<br><b>Mr. Khawaja Khalil Shah</b>  | <b>Member</b><br><b>Member</b><br><b>Member</b><br><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><br>CDC House, 99-B, Block 'B'S.M.C.H.S<br>Main Shahra-e-Faisal Karachi<br>Tel: (92-21) 111-111-500<br>Fax: (92-21) 34326053<br>Web: www.cdcpakistan.com                  |  |
| <b>Bankers</b>   | <b>MCB Bank Limited</b>   |  |
| <b>Auditors</b>  | <b>Yousuf Adil</b><br>Chartered Accountants<br>Cavish Court, A-35, Block 7 & 8<br>KCHSU, Shahrah-e-Faisal, Karachi-75350.   |  |
| <b>Legal Advisor</b>   | <b>Bawaney &amp; Partners</b><br>3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area<br>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><br>Adamjee House, 2nd Floor,<br>I.I. Chundrigar Road, Karachi.   |  |

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

---

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Fixed Return Fund II Plans** under *MCB DCF Fixed Return Fund II* accounts review for the half-year ended December 31, 2024.

### **Economy Review**

The fiscal year began on a positive note with the government securing a staff-level agreement with the IMF for a 37-month Extended Fund Facility (EFF) worth approximately USD 7.0 billion. After Pakistan fulfilled all the required preconditions the IMF Executive Board approved the program on September 27, 2024. Subsequently, the State Bank of Pakistan (SBP) received the first tranche of USD 1.0 billion, bolstering foreign exchange reserves and lending support to the the currency as the USD/PKR parity remained stable around 278.5 during the first half of the fiscal year.

The country posted a current account Surplus of USD 1.2bn in the first six months of the fiscal year 2025 (1HFY25) compared to a deficit of USD 1.4bn in the corresponding period last year. The major contributor towards improving current account was the remittances inflows which skyrocketed by 32.8% to USD 4.4bn. Trade Deficit increased by 12.6% YoY as exports rose by 7.2% while imports increased by 9.3% from a low base. The county's external position improved with SBP's foreign exchange reserves increasing to USD 11.7bn as of Dec-24 end compared to USD 9.4bn at the end of last fiscal year. This was on account of current account surplus and flows from IMF and multilateral sources.

Headline inflation represented by CPI averaged 7.3% during 1HFY25 compared to 28.8% in the corresponding period last year. This sharp decline was driven by the currency's stability over the past one year, which led to stable food and energy prices. Additionally, the large decline in wheat prices and base effect further contributed to the lower inflation figures.

The country's GDP grew by 0.9% in the first quarter of the financial year 2024-25 as compared to 2.3% in the corresponding period last year. Agriculture grew by 1.2%, Services sector grew by 1.4% while industrial sector witnessed a decline of 1.0%. Historic high interest rates and political uncertainty were the major culprits behind the subdued industrial output. On the fiscal side, FBR tax collection increased by 25.9% in 1HFY25 to PKR 5,623 billion, missing the target by PKR 386 billion. The shortfall is largely attributed to reduced tax collection from imports due to a slowdown in trade, sluggish growth and low inflation.

### **FUND PERFORMANCE**

MCB DCFFR IIP1 was launched on September 10, 2024 with a promised return of 16.25%. The fund will mature on May 02, 2025

MCB DCFFR IIP2 was launched on October 16, 2024 with a promised return of 13.95%. The fund will mature on February 20, 2025

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

---

MCB DCFRR IIP3 was launched on October 22, 2024 with a promised return of 13.00%. The fund will mature on October 16, 2025

MCB DCFRR IIP4 was launched on October 28, 2024 with a promised return of 13.20%. The fund will mature on April 17, 2025

MCB DCFRR IIP5 was launched on November 12, 2024 with a promised return of 12.25%. The fund will mature on May 02, 2025

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

Pakistan's GDP growth is projected to inch up to 2.8% in FY25, compared to 2.5% last year. The industrial and services sectors are expected to expand by 3.1% and 3.0%, respectively, driven by a gradual recovery in demand and the base effect. However, agricultural growth is likely to remain modest at 2.2%, constrained by the high base effect and flood-related damage to the cotton crop.

The continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 13.5bn by year end on the back of flows from friendly countries, IMF and multilateral agencies. Pakistan is on track to record the first annual surplus since FY11 on the back of rebound in exports and remittances along with controlled imports. We expect a current account surplus of USD 2.1bn (0.5% of GDP) in FY25 compared to deficit of USD 681mn (0.2% of GDP) in FY24. We are of the view that improvement in exports and remittances and increased comfort on the external will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close June 25 around 280.8.

The inflation reading has come down sharply mainly due to base effect and stable currency. The headline inflation number in December 2024 clocked in at 4.1% compared to a high of 38.0% in May 2023. This was the lowest reading in the last 80 months. The core inflation also remained on a declining trajectory, clocking at 9.2% (34 months low). We anticipate CPI to average around 6.1% in FY25 compared to 23.9% in FY24. The SBP has decreased interest rates by a cumulative 900bps since June-24 as interest rates have declined to 13.0% from a high of 22.0%. We believe after an interest rate cut of further 100bps, monetary policy committee may pause the easing cycle to evaluate the monetary transmission effect of the interest rate decline. In our base case, we have assumed the interest rate may remained anchored at 12.0% in near term. We do not rule out further rate cuts with lower than expected inflation along with a strong build up in Forex Reserves.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year.

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

---

### Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 68.1% during 1HFY25 to PKR 4,326bn. Total money market funds grew by about 45.8% since Jun-24. Within the money market sphere, conventional funds showed a growth of 85.9% to PKR 1,170bn while Islamic funds increased by 8.7% to PKR 738bn. In addition, the total fixed Income and Fixed Rate funds increased by about 96.5% since Jun-24 to PKR 1,889bn while Equity and related funds increased by 80.9% to PKR 462bn.

In terms of the segment share, Money Market funds were the leader with a share of around 44.1%, followed by Income and fixed return funds with 43.7% and Equity and Equity related funds having a share of 10.7% as at the end of December 2024.

### Mutual Fund Industry Outlook

Money market funds should benefit from higher liquidity as they are ideal for investors with a short-term horizon and low risk profile. As economic recovery gains further traction and becomes broader based, the interest in capital markets particularly equities will continue to remain strong. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

### 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  
February 04, 2025



**Manzar Mushtaq**  
Director  
February 04, 2025

## ڈائریکٹرز رپورٹ

### میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈ صنعت کے نیٹ اثاثہ جات مالی سال 2025ء کے نصف اول کے دوران تقریباً 68.1 فیصد بڑھ کر 4,326 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز میں جون 2024ء کے بعد مجموعی طور پر تقریباً 45.8 فیصد ترقی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 85.9 فیصد بڑھ کر 1.170 بلین روپے ہو گئے جبکہ اسلامک فنڈز 8.7 فیصد بڑھ کر 738 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے مجموعی طور پر تقریباً 96.5 فیصد بڑھ کر 1,889 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 80.9 فیصد بڑھ کر 462 بلین روپے ہو گئے۔

زمرہ جاتی تقسیم کے اعتبار سے دسمبر 2024ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 44.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ انکم اور فیکسڈ ریٹ فنڈز 43.7 فیصد، اور ایکویٹی اور اس سے متعلقہ فنڈز 10.7 فیصد حصے کے ساتھ دوسرے اور تیسرے نمبر پر رہے۔

### میوچل فنڈ صنعت کے مستقبل کا منظر

منی مارکیٹ فنڈز کو بہتر نقدیت سے فائدہ اٹھانا چاہیے کیونکہ یہ فنڈز ایسے سرمایہ کاروں کے لیے موزوں ترین ہوتے ہیں جو مختصر مدت کے لیے اور خسارے کے کم خطرے کے ساتھ سرمایہ کاری کرنا چاہتے ہیں۔ معاشی بحالی کے مزید تیز اور وسیع ہونے کے ساتھ کپیٹل مارکیٹوں، خصوصاً ایکویٹیز، میں بھرپور دلچسپی کا سلسلہ جاری رہے گا۔ ہمارے کام کاج بلا رکاوٹ چلتے رہے، اور ڈیجیٹل رسائی اور صارفین کو آن لائن خدمات کی فراہمی میں مسابقتی فائدہ حاصل ہونے کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے فائدہ اٹھانے کے لیے کمر بستہ ہیں۔

### اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے شکریہ ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

### منجانب ڈائریکٹرز

*Mansur Mushtaq*

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

فنڈ کی کارکردگی

- ایم سی بی ڈی سی ایف ایف آر IIP1 کا آغاز 10 ستمبر 2024ء کو 16.25 فیصد منافع کے وعدے کے ساتھ کیا گیا۔  
فنڈ کی مدت 02 مئی 2025ء کو مکمل ہوگی۔
- ایم سی بی ڈی سی ایف ایف آر IIP2 کا آغاز 16 اکتوبر 2024ء کو 13.95 فیصد منافع کے وعدے کے ساتھ کیا گیا۔  
فنڈ کی مدت 20 فروری 2025ء کو مکمل ہوگی۔
- ایم سی بی ڈی سی ایف ایف آر IIP3 کا آغاز 22 اکتوبر 2024ء کو 13.00 فیصد منافع کے وعدے کے ساتھ کیا گیا۔  
فنڈ کی مدت 16 اکتوبر 2025ء کو مکمل ہوگی۔
- ایم سی بی ڈی سی ایف ایف آر IIP4 کا آغاز 28 اکتوبر 2024ء کو 13.20 فیصد منافع کے وعدے کے ساتھ کیا گیا۔  
فنڈ کی مدت 17 اپریل 2025ء کو مکمل ہوگی۔
- ایم سی بی ڈی سی ایف ایف آر IIP5 کا آغاز 12 نومبر 2024ء کو 12.25 فیصد منافع کے وعدے کے ساتھ کیا گیا۔  
فنڈ کی مدت 02 مئی 2025ء کو مکمل ہوگی۔

معیشت اور مارکیٹ - مستقبل کا منظر

پاکستان کی 'جی ڈی پی' میں مالی سال 2025ء میں 2.8 فیصد اضافے کا امکان ہے، جو گزشتہ سال کی سطح 2.5 فیصد کے بالمقابل ہے۔ صنعتی شعبے میں 3.1 فیصد اور خدمات کے شعبے میں 3.0 فیصد ترقی متوقع ہے جس کی وجہ مانگ اور بنیادی اثر کی بتدریج بحالی ہے۔ تاہم زراعتی ترقی کا 2.2 فیصد کے درمیانے درجے پر رہنے کا امکان ہے جس کے عوامل اعلیٰ بنیادی اثر کا محدود ہونا اور کپاس کی فصل کو سیلاب کے باعث نقصان ہیں۔

آئی ایم ایف پروگرام کا تسلسل کلیدی مثبت پہلو ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیرالجہتی ذرائع سے رقم حاصل کر سکیں گے۔ 'ایس بی پی' کے ذخائر کا دوست ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بنیاد پر سال کے اختتام پر بڑھ کر 13.5 بلین ڈالر تک پہنچ جانے کا امکان ہے۔ پاکستان مالی سال 2011ء کے بعد پہلا سالانہ منافع ریکارڈ کرنے کی سمت میں رواں ہے، جس کے عوامل برآمدات اور ترسیلات میں بحالی بشمول درآمدات پر قابو ہیں۔ کرنٹ اکاؤنٹ میں مالی سال 2025ء میں 2.1 بلین ڈالر (جی ڈی پی کا 0.5 فیصد) منافع متوقع ہے، جو مالی سال 2024ء میں 681 ملین ڈالر (جی ڈی پی کا 0.2 فیصد) خسارے کے بالمقابل ہے۔ ہم سمجھتے ہیں کہ برآمدات اور ترسیلات میں بہتری اور خارجی جہت میں بڑھتے ہوئے اطمینان کی بدولت روپیہ مستقبل قریب میں مستحکم رہے گا۔ سال رواں میں روپے کی قدر میں معمولی کمی متوقع ہے اور ڈالر اور روپے کا تناسب جون 2025ء کے اختتام پر تقریباً 280.8 ہوگا۔

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی ڈی سی ایف فیکسڈ ریٹرن فنڈ II کے تحت ایم سی بی ڈی سی ایف فیکسڈ ریٹرن فنڈ II پلانز کے اکاؤنٹس کا جائزہ برائے نصف سال مختتمہ 31 دسمبر 2024ء پیش خدمت ہے۔

### معیشت کا جائزہ

مالی سال کا آغاز مثبت انداز میں ہوا کیونکہ حکومت نے آئی ایم ایف سے 37 ماہ پر مبنی ایکسٹینڈڈ فنڈ فسیلٹی (ای ایف ایف) کے لیے اسٹاف-لیول معاہدہ کر لیا جس کی مالیت تقریباً 7.0 بلین ڈالر ہے۔ پاکستان کے تمام مطلوبہ شرائط پوری کرنے کے بعد آئی ایم ایف ایگزیکٹو بورڈ نے 27 ستمبر 2024ء کو پروگرام کی منظوری دی۔ بعد ازاں، اسٹیٹ بینک آف پاکستان (ایس بی پی) کو 1.0 بلین ڈالر کی پہلی قسط موصول ہوئی جس کی بدولت غیر ملکی زرمبادلہ کے ذخائر پروان چڑھے اور روپے کو سہارا ملا، جیسا کہ مالی سال کے نصف اول کے دوران روپے اور ڈالر کے مابین تناسب سے ظاہر ہے جو تقریباً 278.5 روپے کی سطح پر مستحکم رہا۔

مالی سال 2025ء کے نصف اول (ابتدائی چھ ماہ) میں ملکہ کارنٹ اکاؤنٹ 1.2 بلین روپے منافع میں رہا، جو گزشتہ سال مماثل مدت میں 1.4 بلین ڈالر خسارے کے بالمقابل ہے۔ کرنٹ اکاؤنٹ کی بہتری میں سب سے بڑا حصہ ترسیلات کا ہے جو تیزی سے 32.8 فیصد بڑھ کر 4.4 بلین ڈالر تک پہنچ گئیں۔ تجارتی خسارہ 12.6 فیصد سال در سال (YoY) بڑھ گیا کیونکہ برآمدات میں 7.2 فیصد اضافہ ہوا جبکہ درآمدات گزشتہ پست سطح سے 9.3 فیصد بڑھ گئیں۔ ملکہ کی خارجی صورتحال میں بہتری آئی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر بڑھ کر دسمبر 2024ء کے اختتام تک 11.7 بلین ڈالر تک پہنچ گئے، جو گزشتہ مالی سال کے اختتام پر 9.4 بلین ڈالر کے بالمقابل تھے، جس کے عوامل کرنٹ اکاؤنٹ میں منافع اور آئی ایم ایف اور کثیرالچختی ذرائع سے آمدات ہیں۔

ہیڈ لائن مہنگائی، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط مالی سال 2025ء کے نصف اول میں 7.3 فیصد تھا، جو گزشتہ سال مماثل مدت میں 28.8 کے بالمقابل ہے۔ تیزی سے ہونے والی اس کمی کی وجہ گزشتہ ایک سال کے دوران روپے میں استحکام ہے جس کے نتیجے میں اشیائے خورد و نوش اور توانائی کی قیمتیں مستحکم ہوئیں۔ مزید برآں، گندم کی قیمتوں اور سالانہ گزشتہ کی سطح کے سال رواں پر اثر میں بھرپور کمی نے مہنگائی کم کرنے میں مزید کردار ادا کیا۔

ملکہ کے 'جی ڈی پی' میں مالی سال 2024-25ء کی پہلی سہ ماہی میں 0.9 فیصد ترقی ہوئی، جو گزشتہ سال مماثل مدت میں 2.3 فیصد کے بالمقابل ہے۔ زراعت میں 1.2 فیصد ترقی اور خدمات کے شعبے میں 1.4 فیصد ترقی ہوئی، جبکہ صنعتی شعبے میں 1.0 فیصد تسنسل ہوا۔ صنعتی پیداوار میں کمی کے سب سے بڑے عوامل سود کی اب تک کی بلند ترین شرحیں اور سیاسی عدم یقینی تھے۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی مالی سال 2025ء کے نصف اول میں 25.9 فیصد بڑھ کر 5,623 بلین روپے ہو گئی، جو ہدف سے 386 بلین روپے کم ہے۔ اس کمی کے بڑے عوامل درآمدات سے حاصل ہونے والے ٹیکس میں کمی بوجہ سست رفتار تجارت، ترقی کی سست روی اور مہنگائی میں کمی ہیں۔

## TRUSTEE REPORT TO THE UNIT HOLDERS

### CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

#### Head Office:

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



### TRUSTEE REPORT TO THE UNIT HOLDERS

#### MCB DCF FIXED RETURN FUND II

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB DCF Fixed Return Fund II (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from September 10, 2024 to December 31, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 21, 2025



# AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



Yousuf Adil  
Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
Fax: +92 (0) 21- 3454 1314  
www.yousufadil.com

## INDEPENDENT AUDITOR'S REVIEW REPORT To the Unit Holders of MCB DCF Fixed Return Fund II

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB DCF Fixed Return Fund II** (the "Fund") as at December 31, 2024, and the related condensed interim income statement, the condensed interim statement of other comprehensive income, the condensed interim statement of movement in unit holders' fund, and the condensed interim statement of cash flow for the period from September 10, 2024 to December 31, 2024 (the period) and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the period then ended. The Management of MCB Investment Management Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the period ended December 31, 2024 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the condensed interim income statement and the condensed interim statement of other comprehensive income for the quarter ended December 31, 2024 have not been reviewed, as we are only required to review the cumulative figures for the period ended December 31, 2024.

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

  
Chartered Accountants

Place: Karachi  
Date: February 21, 2025  
UDIN: RR202410057TMUPFZC84

ISO 27001 Certified Since 2017  
Karachi | Islamabad | Lahore | Multan

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

December 31, 2024

|  | MCB DCF<br>FRF II<br>Plan I | MCB DCF<br>FRF II<br>Plan II | MCB DCF<br>FRF II<br>Plan III | MCB DCF<br>FRF II<br>Plan IV | MCB DCF<br>FRF II<br>Plan V | Total |
|--|-----------------------------|------------------------------|-------------------------------|------------------------------|-----------------------------|-------|
|--|-----------------------------|------------------------------|-------------------------------|------------------------------|-----------------------------|-------|

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

**ASSETS**

|                     |   |                |                  |                  |                   |                  |                   |
|---------------------|---|----------------|------------------|------------------|-------------------|------------------|-------------------|
| Bank balances       | 4 | 1,060          | 3,300            | 2,192            | 2,568             | 3,878            | 12,998            |
| Investments         | 5 | 117,366        | 8,147,583        | 5,678,064        | 15,402,866        | 1,052,448        | 30,398,327        |
| Profit receivable   |   | 174            | 7,024            | 2,475            | 10,920            | 651              | 21,244            |
| <b>Total assets</b> |   | <b>118,600</b> | <b>8,157,907</b> | <b>5,682,731</b> | <b>15,416,354</b> | <b>1,056,977</b> | <b>30,432,569</b> |

**LIABILITIES**

|   |   |            |              |              |               |            |               |
|---|---|------------|--------------|--------------|---------------|------------|---------------|
| Payable to the MCB Investment Management Limited - Management Company | 6 | 348        | 5,494        | 2,914        | 9,749         | 488        | 18,993        |
| Payable to Central Depository Company of Pakistan Limited - Trustee   |   | 7          | 435          | 304          | 824           | 57         | 1,627         |
| Payable to the Securities and Exchange Commission of Pakistan         | 7 | 7          | 517          | 360          | 976           | 67         | 1,927         |
| <b>Total liabilities</b>  |   | <b>362</b> | <b>6,446</b> | <b>3,578</b> | <b>11,549</b> | <b>612</b> | <b>22,547</b> |

|                   |  |                |                  |                  |                   |                  |                   |
|-------------------|--|----------------|------------------|------------------|-------------------|------------------|-------------------|
| <b>NET ASSETS</b> |  | <b>118,238</b> | <b>8,151,461</b> | <b>5,679,153</b> | <b>15,404,805</b> | <b>1,056,365</b> | <b>30,410,022</b> |
|-------------------|--|----------------|------------------|------------------|-------------------|------------------|-------------------|

|   |  |                |                  |                  |                   |                  |                   |
|---|--|----------------|------------------|------------------|-------------------|------------------|-------------------|
| <b>UNIT HOLDERS' FUND<br/>(AS PER STATEMENT ATTACHED)</b> |  | <b>118,238</b> | <b>8,151,461</b> | <b>5,679,153</b> | <b>15,404,805</b> | <b>1,056,365</b> | <b>30,410,022</b> |
|---|--|----------------|------------------|------------------|-------------------|------------------|-------------------|

**CONTINGENCIES AND COMMITMENTS 8**

----- (Number of units) -----

|                                 |  |                  |                   |                   |                    |                   |
|---------------------------------|--|------------------|-------------------|-------------------|--------------------|-------------------|
| <b>NUMBER OF UNITS IN ISSUE</b> |  | <b>1,110,967</b> | <b>79,000,000</b> | <b>55,000,000</b> | <b>150,000,000</b> | <b>10,370,611</b> |
|---------------------------------|--|------------------|-------------------|-------------------|--------------------|-------------------|

----- Rupees -----

|                                 |  |                 |                 |                 |                 |                 |
|---------------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>NET ASSET VALUE PER UNIT</b> |  | <b>106.4281</b> | <b>103.1831</b> | <b>103.2573</b> | <b>102.6987</b> | <b>101.8614</b> |
|---------------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

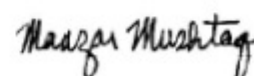
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

|  | For the period from September 10, 2024 to December 31, 2024 | For the period from October 16, 2024 to December 31, 2024 | For the period from October 22, 2024 to December 31, 2024 | For the period from October 28, 2024 to December 31, 2024 | For the period from November 12, 2024 to December 31, 2024 | Total          |
|--|---|---|---|---|--|----------------|
|  | MCB DCF FRF II - Plan I                                     | MCB DCF FRF II - Plan II                                  | MCB DCF FRF II - Plan III                                 | MCB DCF FRF II - Plan IV                                  | MCB DCF FRF II - Plan V                                    |                |
| <b>INCOME</b>  |   |   |   |   |  |                |
| Profit on bank deposits  | 157   | 7,024   | 2,475   | 10,920  | 651  | 21,227         |
| Income from government securities  | 5,797   | 231,993   | 141,371   | 351,430   | 17,282   | 747,873        |
| Unrealised gain in fair value of investments classified as at fair value through profit or loss' - net | 1,686   | 20,242  | 39,701  | 55,913  | 2,047  | 119,589        |
| <b>Total income</b>  | <b>7,640</b>  | <b>259,259</b>  | <b>183,547</b>  | <b>418,263</b>  | <b>19,980</b>  | <b>888,689</b> |
| <b>EXPENSES</b>  |   |   |   |   |  |                |
| Remuneration of MCB Investment Management Limited - Management Company                                 | 294   | 4,769   | 2,525   | 8,469   | 416  | 16,473         |
| Sindh sales tax on remuneration of the Management Company  | 44  | 715   | 379   | 1,270   | 62   | 2,470          |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                               | 19  | 920   | 591   | 1,468   | 78   | 3,076          |
| Sindh sales tax on remuneration of Trustee   | 3   | 138   | 89  | 220   | 12   | 462            |
| Securities and Exchange Commission of Pakistan fee   | 27  | 1,255   | 806   | 2,001   | 105  | 4,194          |
| Brokerage expenses   | -   | -   | -   | 25  | -  | 25             |
| Bank charges   | 6   | 1   | 4   | 5   | 3  | 19             |
| <b>Total operating expenses</b>  | <b>393</b>  | <b>7,798</b>  | <b>4,394</b>  | <b>13,458</b>   | <b>676</b>   | <b>26,719</b>  |
| <b>Net income from operating activities before taxation</b>  | <b>7,247</b>  | <b>251,461</b>  | <b>179,153</b>  | <b>404,805</b>  | <b>19,304</b>  | <b>861,970</b> |
| Taxation   | -   | -   | -   | -   | -  | -              |
| <b>Net income for the period after taxation</b>  | <b>7,247</b>  | <b>251,461</b>  | <b>179,153</b>  | <b>404,805</b>  | <b>19,304</b>  | <b>861,970</b> |
| <b>Allocation of net income for the period</b>   |   |   |   |   |  |                |
| Net income for the period  | 7,247   | 251,461   | 179,153   | 404,805   | 19,304   | 861,970        |
| Income already paid on units redeemed  | -   | -   | -   | -   | -  | -              |
|  | <b>7,247</b>  | <b>251,461</b>  | <b>179,153</b>  | <b>404,805</b>  | <b>19,304</b>  | <b>861,970</b> |
| <b>Accounting income available for distribution</b>  |   |   |   |   |  |                |
| - Relating to capital gains  | 1,686   | 20,242  | 39,701  | 55,913  | 2,047  | 119,589        |
| - Excluding capital gains  | 5,561   | 231,219   | 139,452   | 348,892   | 17,257   | 742,381        |
|  | <b>7,247</b>  | <b>251,461</b>  | <b>179,153</b>  | <b>404,805</b>  | <b>19,304</b>  | <b>861,970</b> |
| <b>Earnings per unit</b>   |   |   |   |   |  | 10             |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

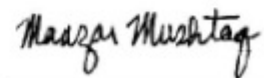
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

|  | MCB DCF<br>FRF II - Plan<br>I | MCB DCF<br>FRF II - Plan<br>II | MCB DCF<br>FRF II - Plan<br>III | MCB DCF<br>FRF II - Plan<br>IV | MCB DCF<br>FRF II - Plan<br>V | Total          |
|--|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------|----------------|
| Note ----- (Rupees in '000) -----  |                               |                                |                                 |                                |                               |                |
| <b>INCOME</b>  |                               |                                |                                 |                                |                               |                |
| Profit on bank deposits  | 38                            | 7,024                          | 2,475                           | 10,920                         | 651                           | 21,108         |
| Income from government securities  | 4,805                         | 231,993                        | 141,371                         | 351,430                        | 17,282                        | 746,881        |
| Unrealised gain in fair value of<br>investments classified as at fair<br>value through profit or loss' - net | 52                            | 20,242                         | 39,701                          | 55,913                         | 2,047                         | 117,955        |
| <b>Total income</b>  | <b>4,895</b>                  | <b>259,259</b>                 | <b>183,547</b>                  | <b>418,263</b>                 | <b>19,980</b>                 | <b>885,944</b> |
| <b>EXPENSES</b>  |                               |                                |                                 |                                |                               |                |
| Remuneration of MCB Investment<br>Management Limited - Management<br>Company                                 | 244                           | 4,769                          | 2,525                           | 8,469                          | 416                           | 16,423         |
| Sindh sales tax on remuneration of<br>the Management Company   | 37                            | 715                            | 379                             | 1,270                          | 62                            | 2,463          |
| Remuneration of Central Depository<br>Company of Pakistan Limited -<br>Trustee                               | 16                            | 920                            | 591                             | 1,468                          | 78                            | 3,073          |
| Sindh sales tax on remuneration of<br>Trustee  | 2                             | 138                            | 89                              | 220                            | 12                            | 461            |
| Securities and Exchange Commission<br>of Pakistan fee  | 22                            | 1,255                          | 806                             | 2,001                          | 105                           | 4,189          |
| Brokerage expenses   | -                             | -                              | -                               | 25                             | -                             | 25             |
| Bank charges   | 4                             | 1                              | 4                               | 5                              | 3                             | 17             |
| <b>Total operating expenses</b>  | <b>325</b>                    | <b>7,798</b>                   | <b>4,394</b>                    | <b>13,458</b>                  | <b>676</b>                    | <b>26,651</b>  |
| <b>Net income from operating<br/>activities before taxation</b>  | <b>4,570</b>                  | <b>251,461</b>                 | <b>179,153</b>                  | <b>404,805</b>                 | <b>19,304</b>                 | <b>859,293</b> |
| Taxation   | -                             | -                              | -                               | -                              | -                             | -              |
| <b>Net income for the period<br/>after taxation</b>  | <b>4,570</b>                  | <b>251,461</b>                 | <b>179,153</b>                  | <b>404,805</b>                 | <b>19,304</b>                 | <b>859,293</b> |
| <b>Earnings per unit</b>   | 10                            |                                |                                 |                                |                               |                |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

| For the period from September 10, 2024 to December 31, 2024 | For the period from October 16, 2024 to December 31, 2024 | For the period from October 22, 2024 to December 31, 2024 | For the period from October 28, 2024 to December 31, 2024 | For the period from November 12, 2024 to December 31, 2024 | Total |
|---|---|---|---|--|-------|
| MCB DCF FRF II - Plan I                                     | MCB DCF FRF II - Plan II                                  | MCB DCF FRF II - Plan III                                 | MCB DCF FRF II - Plan IV                                  | MCB DCF FRF II - Plan V                                    |       |

(Rupees in '000)

|  |              |                |                |                |               |                |
|--|--------------|----------------|----------------|----------------|---------------|----------------|
| <b>Net income for the period after taxation</b>  | 7,247        | 251,461        | 179,153        | 404,805        | 19,304        | 861,970        |
| Other comprehensive income for the period        | -            | -              | -              | -              | -             | -              |
| <b>Total comprehensive income for the period</b> | <b>7,247</b> | <b>251,461</b> | <b>179,153</b> | <b>404,805</b> | <b>19,304</b> | <b>861,970</b> |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

|  | MCB DCF<br>FRF II - Plan<br>I | MCB DCF<br>FRF II - Plan<br>II | MCB DCF<br>FRF II - Plan<br>III | MCB DCF<br>FRF II - Plan<br>IV | MCB DCF<br>FRF II - Plan<br>V | Total          |
|--|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------|----------------|
|  | ----- (Rupees in '000) -----  |                                |                                 |                                |                               |                |
| <b>Net income for the period after taxation</b>  | 4,570                         | 251,461                        | 179,153                         | 404,805                        | 19,304                        | 859,293        |
| Other comprehensive income for the period        | -                             | -                              | -                               | -                              | -                             | -              |
| <b>Total comprehensive income for the period</b> | <b>4,570</b>                  | <b>251,461</b>                 | <b>179,153</b>                  | <b>404,805</b>                 | <b>19,304</b>                 | <b>859,293</b> |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

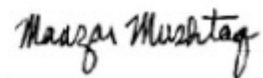
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

|   | For the period from September 10, 2024 to December 31, 2024 |                      |         | For the period from October 16, 2024 to December 31, 2024 |                      |           | For the period from October 22, 2024 to December 31, 2024 |                      |           |
|---|---|----------------------|---------|---|----------------------|-----------|---|----------------------|-----------|
|   | MCB DCF FRF II - Plan I                                     |                      |         | MCB DCF FRF II - Plan II                                  |                      |           | MCB DCF FRF II - Plan III                                 |                      |           |
|   | Capital value   | Undistributed income | Total   | Capital value   | Undistributed income | Total     | Capital value   | Undistributed income | Total     |
|   | (Rupees in '000)  |                      |         |   |                      |           |   |                      |           |
| <b>Net assets at the beginning of the period</b>  | -   | -                    | -       | -   | -                    | -         | -   | -                    | -         |
| Issuance of 1,110,967 in MCB DCF FRF II Plan I, 79,000,000 units in MCB DCF FRF II Plan II and 55,000,000 units in MCB DCF FRF II Plan III. |   |                      |         |   |                      |           |   |                      |           |
| - Capital value (at net asset value per unit at the beginning of the period)  | 111,097   | -                    | 111,097 | 7,900,000   | -                    | 7,900,000 | 5,500,000   | -                    | 5,500,000 |
| - Element of income   | -   | -                    | -       | -   | -                    | -         | -   | -                    | -         |
|   | 111,097   | -                    | 111,097 | 7,900,000   | -                    | 7,900,000 | 5,500,000   | -                    | 5,500,000 |
| <b>Redemption of Nil units</b>  |   |                      |         |   |                      |           |   |                      |           |
| - Capital value (at net asset value per unit at the beginning of the period)  | -   | -                    | -       | -   | -                    | -         | -   | -                    | -         |
| - Element of income - net   | -   | -                    | -       | -   | -                    | -         | -   | -                    | -         |
|   | -   | -                    | -       | -   | -                    | -         | -   | -                    | -         |
| <b>Total comprehensive income for the period</b>  | -   | 7,247                | 7,247   | -   | 251,461              | 251,461   | -   | 179,153              | 179,153   |
| Interim dividend distribution on September 12, 2024 at the rate Re. 0.094 per unit in MCB DCF FRF II Plan I.                                | -   | (106)                | (106)   | -   | -                    | -         | -   | -                    | -         |
|   | -   | 7,141                | 7,141   | -   | 251,461              | 251,461   | -   | 179,153              | 179,153   |
| <b>Net assets at the end of the period</b>  | 111,097   | 7,141                | 118,238 | 7,900,000   | 251,461              | 8,151,461 | 5,500,000   | 179,153              | 5,679,153 |
| <b>Accounting income available for distribution</b>   |   |                      |         |   |                      |           |   |                      |           |
| - Relating to capital gains   |   | 1,686                |         |   | 20,242               |           |   | 39,701               |           |
| - Excluding capital gains   |   | 5,561                |         |   | 231,219              |           |   | 139,452              |           |
|   |   | 7,247                |         |   | 251,461              |           |   | 179,153              |           |
| Cash distribution during the period   |   | (106)                |         |   | -                    |           |   | -                    |           |
| <b>Undistributed income carried forward</b>   |   | 7,141                |         |   | 251,461              |           |   | 179,153              |           |
| <b>Undistributed income carried forward comprising of:</b>  |   |                      |         |   |                      |           |   |                      |           |
| - Realised income   |   | 5,455                |         |   | 231,219              |           |   | 139,452              |           |
| - Unrealised income   |   | 1,686                |         |   | 20,242               |           |   | 39,701               |           |
|   |   | 7,141                |         |   | 251,461              |           |   | 179,153              |           |
|   |   | (Rupees)             |         |   | (Rupees)             |           |   | (Rupees)             |           |
| Net asset value per unit at the end of the period   |   | 106.4281             |         |   | 103.1831             |           |   | 103.2573             |           |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

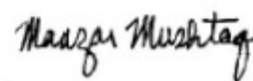
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

|   | For the period from October 28, 2024 to<br>December 31, 2024 |                         |            | For the period from November 12, 2024<br>to December 31, 2024 |                         |           | Total            |                         |            |
|---|--|-------------------------|------------|---|-------------------------|-----------|------------------|-------------------------|------------|
|   | MCB DCF FRF II - Plan IV                                     |                         |            | MCB DCF FRF II - Plan V                                       |                         |           | Total            |                         |            |
|   | Capital value  | Undistributed<br>income | Total      | Capital value   | Undistributed<br>income | Total     | Capital<br>value | Undistributed<br>income | Total      |
|   | (Rupees in '000)   |                         |            |   |                         |           |                  |                         |            |
| <b>Net assets at the beginning of the period</b>  | -  | -                       | -          | -   | -                       | -         | -                | -                       | -          |
| Issue of 150,000,000 units in MCB DCF FRF II Plan IV and 10,370,611 units in MCB DCF FRF II Plan V. |  |                         |            |   |                         |           |                  |                         |            |
| - Capital value (at net asset value per unit at the beginning of the period)                        | 15,000,000   | -                       | 15,000,000 | 1,037,061   | -                       | 1,037,061 | 29,548,157       | -                       | 29,548,157 |
| - Element of income   | -  | -                       | -          | -   | -                       | -         | -                | -                       | -          |
|   | 15,000,000   | -                       | 15,000,000 | 1,037,061   | -                       | 1,037,061 | 29,548,157       | -                       | 29,548,157 |
| <b>Redemption of Nil units</b>  |  |                         |            |   |                         |           |                  |                         |            |
| - Capital value (at net asset value per unit at the beginning of the period)                        | -  | -                       | -          | -   | -                       | -         | -                | -                       | -          |
| - Element of income - net   | -  | -                       | -          | -   | -                       | -         | -                | -                       | -          |
|   | -  | -                       | -          | -   | -                       | -         | -                | -                       | -          |
| <b>Total comprehensive income for the period</b>  | -  | 404,805                 | 404,805    | -   | 19,304                  | 19,304    | -                | 861,971                 | 861,971    |
| <b>Interim distribution during the period</b>   | -  | -                       | -          | -   | -                       | -         | -                | (106)                   | (106)      |
|   | -  | 404,805                 | 404,805    | -   | 19,304                  | 19,304    | -                | 861,865                 | 861,865    |
| <b>Net assets at the end of the period</b>  | 15,000,000   | 404,805                 | 15,404,805 | 1,037,061   | 19,304                  | 1,056,365 | 29,548,157       | 861,865                 | 30,410,022 |
| <b>Accounting income available for distribution</b>   |  |                         |            |   |                         |           |                  |                         |            |
| - Relating to capital gains   |  | 55,913                  |            |   | 2,047                   |           |                  | 119,589                 |            |
| - Excluding capital gains   |  | 348,892                 |            |   | 17,257                  |           |                  | 742,381                 |            |
|   |  | 404,805                 |            |   | 19,304                  |           |                  | 861,970                 |            |
| Cash distribution during the period   |  | -                       |            |   | -                       |           |                  | (106)                   |            |
| <b>Undistributed income carried forward</b>   |  | 404,805                 |            |   | 19,304                  |           |                  | 861,864                 |            |
| <b>Undistributed income carried forward comprising of:</b>  |  |                         |            |   |                         |           |                  |                         |            |
| - Realised income   |  | 348,892                 |            |   | 17,257                  |           |                  | 742,275                 |            |
| - Unrealised income   |  | 55,913                  |            |   | 2,047                   |           |                  | 119,589                 |            |
|   |  | 404,805                 |            |   | 19,304                  |           |                  | 861,864                 |            |
|   |  | (Rupees)                |            |   | (Rupees)                |           |                  |                         |            |
| Net asset value per unit at the end of the period   |  | 102.6987                |            |   | 101.8614                |           |                  |                         |            |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

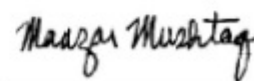
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

|  | For the period from September 10, 2024 to December 31, 2024 | For the period from October 16, 2024 to December 31, 2024 | For the period from October 22, 2024 to December 31, 2024 | For the period from October 28, 2024 to December 31, 2024 | For the period from November 12, 2024 to December 31, 2024 | Total               |
|--|---|---|---|---|--|---------------------|
|  | MCB DCF FRF II - Plan I                                     | MCB DCF FRF II - Plan II                                  | MCB DCF FRF II - Plan III                                 | MCB DCF FRF II - Plan IV                                  | MCB DCF FRF II - Plan V                                    |                     |
| (Rupees in '000)   |   |   |   |   |  |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |   |   |   |  |                     |
| Net income for the period before taxation  | 7,247   | 251,461   | 179,153   | 404,805   | 19,304   | 861,970             |
| <b>Adjustments for non cash and other items:</b>   |   |   |   |   |  |                     |
| Unrealised gain in fair value of investments classified as at fair value through profit or loss* - net | 5.2 (1,686)   | (20,242)  | (39,701)  | (55,913)  | (2,047)  | (119,589)           |
|  | 5,561   | 231,219   | 139,452   | 348,892   | 17,257   | 742,381             |
| <b>Decrease / (increase) in assets</b>   |   |   |   |   |  |                     |
| Investments - net  | (115,680)   | (8,127,341)   | (5,638,363)   | (15,346,953)  | (1,050,401)  | (30,278,738)        |
| Profit receivable  | (174)   | (7,024)   | (2,475)   | (10,920)  | (651)  | (21,244)            |
|  | (115,854)   | (8,134,365)   | (5,640,838)   | (15,357,873)  | (1,051,052)  | (30,299,982)        |
| <b>(Decrease)/ Increase in liabilities</b>   |   |   |   |   |  |                     |
| Payable to MCB Investment Management Limited - Management Company                                      | 348   | 5,494   | 2,914   | 9,749   | 488  | 18,993              |
| Payable to Central Depository Company of Pakistan Limited - Trustee                                    | 7   | 435   | 304   | 824   | 57   | 1,627               |
| Payable to the Securities and Exchange Commission of Pakistan  | 7   | 517   | 360   | 976   | 67   | 1,927               |
| Accrued expenses and other liabilities   | -   | -   | -   | -   | -  | -                   |
|  | 362   | 6,446   | 3,578   | 11,549  | 612  | 22,547              |
| <b>Net cash used in operating activities</b>   | <b>(109,931)</b>  | <b>(7,896,700)</b>  | <b>(5,497,808)</b>  | <b>(14,997,432)</b>                                       | <b>(1,033,183)</b>   | <b>(29,535,054)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |   |   |   |  |                     |
| Receipts from issuance of units  | 111,097   | 7,900,000   | 5,500,000   | 15,000,000  | 1,037,061  | 29,548,158          |
| Distributions made during the period   | (106)   | -   | -   | -   | -  | (106)               |
| <b>Net cash generated from financing activities</b>  | <b>110,991</b>  | <b>7,900,000</b>  | <b>5,500,000</b>  | <b>15,000,000</b>   | <b>1,037,061</b>   | <b>29,548,052</b>   |
| <b>Net increase in cash and cash equivalents</b>   | <b>1,060</b>  | <b>3,300</b>  | <b>2,192</b>  | <b>2,568</b>  | <b>3,878</b>   | <b>12,998</b>       |
| Cash and cash equivalents at the beginning of the period   | -   | -   | -   | -   | -  | -                   |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>4 1,060</b>  | <b>3,300</b>  | <b>2,192</b>  | <b>2,568</b>  | <b>3,878</b>   | <b>12,998</b>       |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

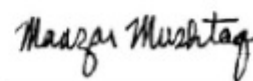
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** MCB DCF Fixed Return Fund II (the Fund / the Scheme / the Trust / the Unit Trust / MCB DCFFRFII) has been established through the Trust Deed (the Deed) dated September 11, 2023 under the Sindh Trust Act, 2020 (the Sindh Trust Act) entered into and between MCB Arif-Habib Saving and Investments Limited (Now MCB Investment Management Limited), (the Management Company), and Central Depository Company of Pakistan Limited, (the Trustee). The Securities and Exchange Commission of Pakistan (SECP) has authorised the Fund to offer units of plans under the umbrella of MCB DCFFRFII and has registered the Fund as a notified entity under the Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulations") vide letter No SCD/AMCW/DCFFRF-II/2023/193/MF-NE-146 dated November 13, 2023. SECP has approved the Offering Document under the Regulations vides its Letter No. SCD/AMC/MCBDCFFRFII/399/2023 dated January 31, 2024.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end collective investment scheme categorised as a " Fixed rate / Return schemes". The duration of the Fund is perpetual. The Fund may launch plans with different duration and promised fixed return to the unit holders who hold the investment till maturity. Each plan can invest in fixed income 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.

Below are details of the Plans which were launched, existed or matured during the period from September 10, 2024 to December 31, 2024:

| S. No. | Name of Plan                            | Launch Date        | Maturity Date     | Status | Promised Return |
|--------|---|--------------------|-------------------|--------|-----------------|
| 1      | MCB DCF Fixed Return Fund II - Plan I   | September 10, 2024 | May 2, 2025       | Active | 16.25%          |
| 2      | MCB DCF Fixed Return Fund II - Plan II  | October 16, 2024   | February 20, 2025 | Active | 13.95%          |
| 3      | MCB DCF Fixed Return Fund II - Plan III | October 22, 2024   | October 16, 2025  | Active | 13.00%          |
| 4      | MCB DCF Fixed Return Fund II - Plan IV  | October 28, 2024   | April 17, 2025    | Active | 13.20%          |
| 5      | MCB DCF Fixed Return Fund II - Plan V   | November 12, 2024  | May 2, 2025       | Active | 12.25%          |

- 1.4** The objective of the Fund is to provide attractive fixed return of the Investment Plan(s) under the Fund, by investing in Fixed Income Securities
- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 04, 2024 (2023: 'AM1' dated October 6, 2023) to the Management Company and "AAA(f)" as stable rating dated November 12, 2024 to the Fund.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the requirements of the Trust Deed.

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

Where provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance 1984, the Rules, the Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance 1984, the Rules, the Regulations and the requirements of the Trust Deed have been followed.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2024.

This condensed interim financial information does not include comparative amounts of the statement of asset and liabilities, condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of cash flow and condensed interim statement of movement in unit holders' fund as the first plan of the Fund was launched on September 10, 2024.

### 2.2 Critical accounting estimates and judgements

The preparation of this condensed interim financial information 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 judgement in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgement or complexity, or areas where estimates and assumptions are significant to the condensed interim financial information are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Taxation (notes 3.4 and 9)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 8)
- Provisions (note 3.3)

### 2.3 Basis of measurement

This condensed interim financial information have been prepared under the historical cost convention, except for investments which are measured at fair value.

### 2.4 Functional and presentation currency

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates. This condensed interim financial information is presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the condensed interim financial information has 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 this condensed interim financial information.

### 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.

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

### 3.1.1.1 Classification and measurement of financial assets

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

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

#### Financial assets at amortised cost (debt instruments)

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

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

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

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

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

### 3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

#### Basis of valuation of government securities:

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

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after the taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limits +50 bps.

### 3.1.1.3 Impairment of financial assets

The 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.

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

---

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 this condensed interim financial information .

### 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 rate 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 year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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

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 distribution 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 year also includes portion of income already paid on units redeemed during the year.

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 year end / reporting date are considered as non-adjusting events and are recognised in the condensed interim financial information 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 period 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 remeasurement 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 investment 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, auditor's 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.

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

December 31, 2024 (Un-audited)

|      | MCB DCF<br>FRF II - Plan<br>I | MCB DCF<br>FRF II - Plan<br>II | MCB DCF<br>FRF II - Plan<br>III | MCB DCF<br>FRF II - Plan<br>IV | MCB DCF<br>FRF II - Plan<br>V | Total  |
|------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------|--------|
| Note |                               |                                |                                 |                                |                               |        |
|      | 1,060                         | 3,300                          | 2,192                           | 2,568                          | 3,878                         | 12,998 |

**4. BANK BALANCES**

In saving accounts 4.1 1,060 3,300 2,192 2,568 3,878 12,998

4.1 These carry profit at the rates of 11.50% for all the plans of the Fund. Balances with banks of all plans are maintained in MCB Bank Limited (a related party) only.

December 31, 2024 (Un-audited)

|      | MCB DCF<br>FRF II - Plan<br>I | MCB DCF<br>FRF II - Plan<br>II | MCB DCF<br>FRF II - Plan<br>III | MCB DCF<br>FRF II - Plan<br>IV | MCB DCF<br>FRF II - Plan<br>V | Total |
|------|-------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------|-------|
| Note |                               |                                |                                 |                                |                               |       |

**5. INVESTMENTS**

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

Government securities - Market Treasury Bills 5.1 117,366 8,147,563 5,676,064 15,402,866 1,052,448 30,396,327

**5.1 Government securities - Market Treasury Bills**

| Particulars                            | Issue Date      | Face value               |                             |                                  | As at December 31, 2024 |                  |                 | Market value as a percentage of net assets | Market value as a percentage of total Investments |
|--|-----------------|--------------------------|-----------------------------|----------------------------------|-------------------------|------------------|-----------------|--|---|
|  |                 | As at September 10, 2024 | Purchased during the period | Sold / matured during the period | As at December 31, 2024 | Market value     | Unrealised gain |  |   |
| <b>MCB DCF Fixed Return II Plan I</b>  |                 |                          |                             |                                  |                         |                  |                 |  |   |
| Treasury bills - 12 months *           | May 2, 2024     | -                        | 122,000                     | -                                | 115,660                 | 117,366          | 1,686           | 99.26                                      | 100.00  |
| <b>Total as at December 31, 2024</b>   |                 |                          |                             |                                  | <b>115,660</b>          | <b>117,366</b>   | <b>1,686</b>    |  |   |
| <b>MCB DCF Fixed Return II Plan II</b> |                 |                          |                             |                                  |                         |                  |                 |  |   |
| Treasury bills - 6 months *            | August 22, 2024 | -                        | 8,262,000                   | -                                | 8,127,341               | 8,147,563        | 20,242          | 99.95                                      | 100.00  |
| <b>Total as at December 31, 2024</b>   |                 |                          |                             |                                  | <b>8,127,341</b>        | <b>8,147,563</b> | <b>20,242</b>   |  |   |

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

| Particulars                             | Issue Date       | Face value               |                             |                                  | As at December 31, 2024 |                   |                   | Market value as a percentage of net assets | Market value as a percentage of total Investments |                 |
|---|------------------|--------------------------|-----------------------------|----------------------------------|-------------------------|-------------------|-------------------|--|---|-----------------|
|   |                  | As at September 10, 2024 | Purchased during the period | Sold / matured during the period | As at December 31, 2024 | Carrying value    | Market value      |  |   | Unrealised gain |
| <b>MCB DCF Fixed Return II Plan III</b> |                  |                          |                             |                                  |                         |                   |                   |  |   |                 |
| Treasury bills - 12 months *            | October 17, 2024 | -                        | 6,220,000                   | -                                | 6,220,000               | 5,638,363         | 5,678,064         | 39,701                                     | 99.99   | 100.00          |
| <b>Total as at December 31, 2024</b>    |                  |                          |                             |                                  |                         | <b>5,638,363</b>  | <b>5,678,064</b>  | <b>39,701</b>                              |   |                 |
| <b>MCB DCF Fixed Return II Plan IV</b>  |                  |                          |                             |                                  |                         |                   |                   |  |   |                 |
| Treasury bills - 6 months *             | October 17, 2024 | -                        | 11,355,000                  | -                                | 11,355,000              | 10,936,058        | 10,975,811        | 39,753                                     | 71.25   | 71.26           |
| Treasury bills - 12 months *            | April 18, 2024   | -                        | 4,580,000                   | -                                | 4,580,000               | 4,410,895         | 4,427,055         | 16,160                                     | 28.74   | 28.74           |
| <b>Total as at December 31, 2024</b>    |                  |                          |                             |                                  |                         | <b>15,346,953</b> | <b>15,402,866</b> | <b>55,913</b>                              |   |                 |
| <b>MCB DCF Fixed Return II Plan V</b>   |                  |                          |                             |                                  |                         |                   |                   |  |   |                 |
| Treasury bills - 6 months *             | October 31, 2024 | -                        | 1,094,000                   | -                                | 1,094,000               | 1,050,401         | 1,052,448         | 2,047                                      | 99.63   | 100.00          |
| <b>Total as at December 31, 2024</b>    |                  |                          |                             |                                  |                         | <b>1,050,401</b>  | <b>1,052,448</b>  | <b>2,047</b>                               |   |                 |
| <b>Total as at December 31, 2024</b>    |                  |                          |                             |                                  |                         | <b>30,278,738</b> | <b>30,398,327</b> | <b>119,589</b>                             |   |                 |

\* These carry effective yield of ranging between 12.73% to 17.35% per annum and are due to mature latest by February 20, 2025.

| Note | December 31, 2024 (Un-audited) |                          |                           |                          |                         | Total      |
|------|--------------------------------|--------------------------|---------------------------|--------------------------|-------------------------|------------|
|      | MCB DCF FRF II - Plan I        | MCB DCF FRF II - Plan II | MCB DCF FRF II - Plan III | MCB DCF FRF II - Plan IV | MCB DCF FRF II - Plan V |            |
| 5.1  | 117,366                        | 8,147,583                | 5,678,064                 | 15,402,866               | 1,052,448               | 30,398,327 |
| 5.1  | 115,680                        | 8,127,341                | 5,638,363                 | 15,346,953               | 1,050,401               | 30,278,738 |
|      | 1,686                          | 20,242                   | 39,701                    | 55,913                   | 2,047                   | 119,589    |

**5.2 Unrealised gain in fair value of Investments classified as at fair value**

Market value of investments  
Less: carrying value of investments

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

**6. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**

|      |  | December 31, 2024 (Un-audited) |                                |                                 |                                |                               |        |
|------|--|--------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------|--------|
|      |  | MCB DCF<br>FRF II -<br>Plan I  | MCB DCF<br>FRF II -<br>Plan II | MCB DCF<br>FRF II -<br>Plan III | MCB DCF<br>FRF II -<br>Plan IV | MCB DCF<br>FRF II -<br>Plan V | Total  |
| Note |  | (Rupees in '000)               |                                |                                 |                                |                               |        |
|      | Management remuneration payable                    | 294                            | 4,769                          | 2,525                           | 8,469                          | 416                           | 16,473 |
| 6.1  |  |                                |                                |                                 |                                |                               |        |
|      | Sindh sales tax payable on Management remuneration | 44                             | 715                            | 379                             | 1,270                          | 62                            | 2,470  |
| 6.2  |  |                                |                                |                                 |                                |                               |        |
|      | Other payable to management company                | 10                             | 10                             | 10                              | 10                             | 10                            | 50     |
|      |  | 348                            | 5,494                          | 2,914                           | 9,749                          | 488                           | 18,993 |

**6.1** The Management Company charged management fee at the rate up to 1.75% per annum of the average daily net assets. The remuneration is paid to the Management Company on the maturity of the plan.

**6.2** Sindh Sales Tax on remuneration of the Management Company has been charged at the rate of 15%.

**7. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

The Fund has charged SECP Fee at the rate of 0.075% of the average daily net assets of the plan which is payable on arrear monthly basis.

**8. CONTINGENCIES AND COMMITMENTS**

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

**9. TAXATION**

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income to be earned during current year to the unit holders, therefore, no provision for taxation has been made in this condensed interim financial information during the period. 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.

**10. EARNINGS PER UNIT**

Earnings 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.

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

---

---

**11. TOTAL EXPENSE RATIO**

**MCB DCF Fixed Return Fund II Plan I**

The total annualized expense ratio of the Plan from September 10, 2024 to December 31, 2024 is 1.11% which includes 0.21% representing government levies on the Plan such as sales taxes, fee of SECP, etc. The prescribed limit for the ratio is 2% excluding government levies under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

**MCB DCF Fixed Return Fund II Plan II**

The total annualized expense ratio of the Plan from October 16, 2024 to December 31, 2024 is 0.47% which includes 0.13% representing government levies on the Plan such as sales taxes, fee of SECP, etc. The prescribed limit for the ratio is 2% excluding government levies under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

**MCB DCF Fixed Return Fund II Plan III**

The total annualized expense ratio of the Plan from October 22, 2024 to December 31, 2024 is 0.41% which includes 0.12% representing government levies on the Plan such as sales taxes, fee of SECP, etc. The prescribed limit for the ratio is 2% excluding government levies under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

**MCB DCF Fixed Return Fund II Plan IV**

The total annualized expense ratio of the Plan from October 28, 2024 to December 31, 2024 is 0.50% which includes 0.13% representing government levies on the Plan such as sales taxes, fee of SECP, etc. The prescribed limit for the ratio is 2% excluding government levies under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

**MCB DCF Fixed Return Fund II Plan V**

The total annualized expense ratio of the Plan from November 12, 2024 to December 31, 2024 is 0.48% which includes 0.13% representing government levies on the Plan such as sales taxes, fee of SECP, etc. The prescribed limit for the ratio is 2% excluding government levies under the NBFC Regulations for a Collective Investment Scheme categorised as a money market scheme.

**12. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES**

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

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

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

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

Details of transactions and balances with related parties / connected persons during the period are as follows:

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

12.1 Details of transactions with the connected persons / related parties during the period are as follows:

|   | December 31, 2024 (Un-audited) |                                |                                 |                                |                               | Total  |
|---|--------------------------------|--------------------------------|---------------------------------|--------------------------------|-------------------------------|--------|
|   | MCB DCF<br>FRF II -<br>Plan I  | MCB DCF<br>FRF II -<br>Plan II | MCB DCF<br>FRF II -<br>Plan III | MCB DCF<br>FRF II -<br>Plan IV | MCB DCF<br>FRF II -<br>Plan V |        |
|   | (Rupees in '000)               |                                |                                 |                                |                               |        |
| <b>MCB Investment Management Limited -<br/>Management Company</b>   |                                |                                |                                 |                                |                               |        |
| Remuneration of the Management Company                              | 294                            | 4,769                          | 2,525                           | 8,469                          | 416                           | 16,473 |
| Sindh sales tax on remuneration of the<br>Management Company        | 44                             | 715                            | 379                             | 1,270                          | 62                            | 2,470  |
| <b>Central Depository Company of Pakistan<br/>Limited - Trustee</b> |                                |                                |                                 |                                |                               |        |
| Remuneration of the Trustee   | 19                             | 920                            | 591                             | 1,468                          | 78                            | 3,076  |
| Sindh sales tax on remuneration of the<br>Trustee                   | 3                              | 138                            | 89                              | 220                            | 12                            | 462    |
| <b>MCB Bank Limited</b>   |                                |                                |                                 |                                |                               |        |
| Profit on bank deposits   | 157                            | 7,024                          | 2,475                           | 10,920                         | 651                           | 21,227 |
| Bank charges  | 6                              | 1                              | 4                               | 5                              | 3                             | 19     |

12.2 Balance outstanding as at the period end are as follows:

|   |       |       |       |        |       |        |
|---|-------|-------|-------|--------|-------|--------|
| <b>MCB Investment Management Limited -<br/>Management Company</b>   |       |       |       |        |       |        |
| Management fee  | 294   | 4,769 | 2,525 | 8,469  | 416   | 16,473 |
| Sales tax on remuneration of the<br>Management Company              | 44    | 715   | 379   | 1,270  | 62    | 2,470  |
| Other payable to management company                                 | 10    | 10    | 10    | 10     | 10    | 50     |
| <b>Central Depository Company of Pakistan<br/>Limited - Trustee</b> |       |       |       |        |       |        |
| Trustee remuneration  | 6     | 379   | 264   | 717    | 49    | 1,415  |
| Sindh sales tax payable on Trustee<br>remuneration                  | 1     | 56    | 40    | 107    | 8     | 212    |
| <b>MCB Bank Limited</b>   |       |       |       |        |       |        |
| Bank deposits   | 1,060 | 3,300 | 2,192 | 2,568  | 3,878 | 12,998 |
| Profit receivable on bank deposits                                  | 174   | 7,024 | 2,475 | 10,920 | 651   | 21,244 |

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

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

| Group / associated company                             | For the period starting from September 10, 2024 to December 31, 2024 (Un-audited) |                    |          |                               |                                |                    |          |                               |
|--|---|--------------------|----------|-------------------------------|--------------------------------|--------------------|----------|-------------------------------|
|  | As at<br>September<br>10, 2024  | Issued<br>for cash | Redeemed | As at<br>December<br>31, 2024 | As at<br>September<br>10, 2024 | Issued<br>for cash | Redeemed | As at<br>December<br>31, 2024 |
| ----- Units ----- (Rupees in '000) -----               |   |                    |          |                               |                                |                    |          |                               |
| <b>MCB DCF Fixed Return Fund II Plan I</b>             |   |                    |          |                               |                                |                    |          |                               |
| <u>Group / associated companies</u>                    |   |                    |          |                               |                                |                    |          |                               |
| MCB Investment Management Limited - Management company | -   | 1,000,716          | -        | 1,000,716                     | -                              | 11,115             | -        | 106,504                       |
| <b>MCB DCF Fixed Return Fund II Plan II</b>            |   |                    |          |                               |                                |                    |          |                               |
| Unit holders holding 10% or more                       | -   | 79,000,000         | -        | 79,000,000                    | -                              | 7,900,000          | -        | 8,151,461                     |
| <b>MCB DCF Fixed Return Fund II Plan III</b>           |   |                    |          |                               |                                |                    |          |                               |
| Unit holders holding 10% or more                       | -   | 55,000,000         | -        | 55,000,000                    | -                              | 5,500,000          | -        | 5,679,153                     |
| <b>MCB DCF Fixed Return Fund II Plan IV</b>            |   |                    |          |                               |                                |                    |          |                               |
| Unit holders holding 10% or more                       | -   | 150,000,000        | -        | 150,000,000                   | -                              | 15,000,000         | -        | 15,404,605                    |
| <b>MCB DCF Fixed Return Fund II Plan V</b>             |   |                    |          |                               |                                |                    |          |                               |
| Unit holders holding 10% or more                       | -   | 10,270,611         | -        | 10,270,611                    | -                              | 1,027,061          | -        | 1,046,179                     |
| <u>Group / associated companies</u>                    |   |                    |          |                               |                                |                    |          |                               |
| MCB Investment Management Limited - Management company | -   | 100,000            | -        | 100,000                       | -                              | 10,186,140         | -        | 10,186                        |
| <b>Total associated Companies</b>                      | -   | 295,371,327        | -        | 295,371,327                   | -                              | 39,624,316         | -        | 30,398,288                    |

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

**13. 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.

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

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

- **Level 1:** quoted prices in active markets for identical assets or liabilities;
- **Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Fund holds the following financial instruments measured at fair values:

|   | December 31, 2024 (Un-audited)    |                |                   |                   |                   |          |                   |
|---|-----------------------------------|----------------|-------------------|-------------------|-------------------|----------|-------------------|
|   | Carrying amount                   |                |                   | Fair Value        |                   |          |                   |
|   | Fair value through profit or loss | Amortised cost | Total             | Level 1           | Level 2           | Level 3  | Total             |
|   | (Rupees in '000')                 |                |                   | (Rupees in '000') |                   |          |                   |
| <b>Financial assets measured at fair value through profit or loss</b> |                                   |                |                   |                   |                   |          |                   |
| Government securities - Market Treasury Bills                         | 30,398,327                        | -              | 30,398,327        | -                 | 30,398,327        | -        | 30,398,327        |
|   | <u>30,398,327</u>                 | <u>-</u>       | <u>30,398,327</u> | <u>-</u>          | <u>30,398,327</u> | <u>-</u> | <u>30,398,327</u> |
| <b>Financial assets not measured at fair value</b>                    |                                   |                |                   |                   |                   |          |                   |
| Bank balances   |                                   | 12,998         | 12,998            |                   |                   |          |                   |
| Profit receivable   |                                   | 21,244         | 21,244            |                   |                   |          |                   |
|   |                                   | <u>34,242</u>  | <u>34,242</u>     |                   |                   |          |                   |
| <b>Financial liabilities not measured at fair value</b>               |                                   |                |                   |                   |                   |          |                   |
| Payable to the Management Company                                     |                                   | 16,523         | 16,523            |                   |                   |          |                   |
| Payable to the Trustee  |                                   | 1,414          | 1,414             |                   |                   |          |                   |
|   |                                   | <u>17,937</u>  | <u>17,937</u>     |                   |                   |          |                   |

**14. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 04, 2025 by the Board of Directors of the Management Company.

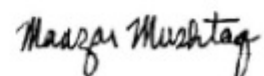
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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

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

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