

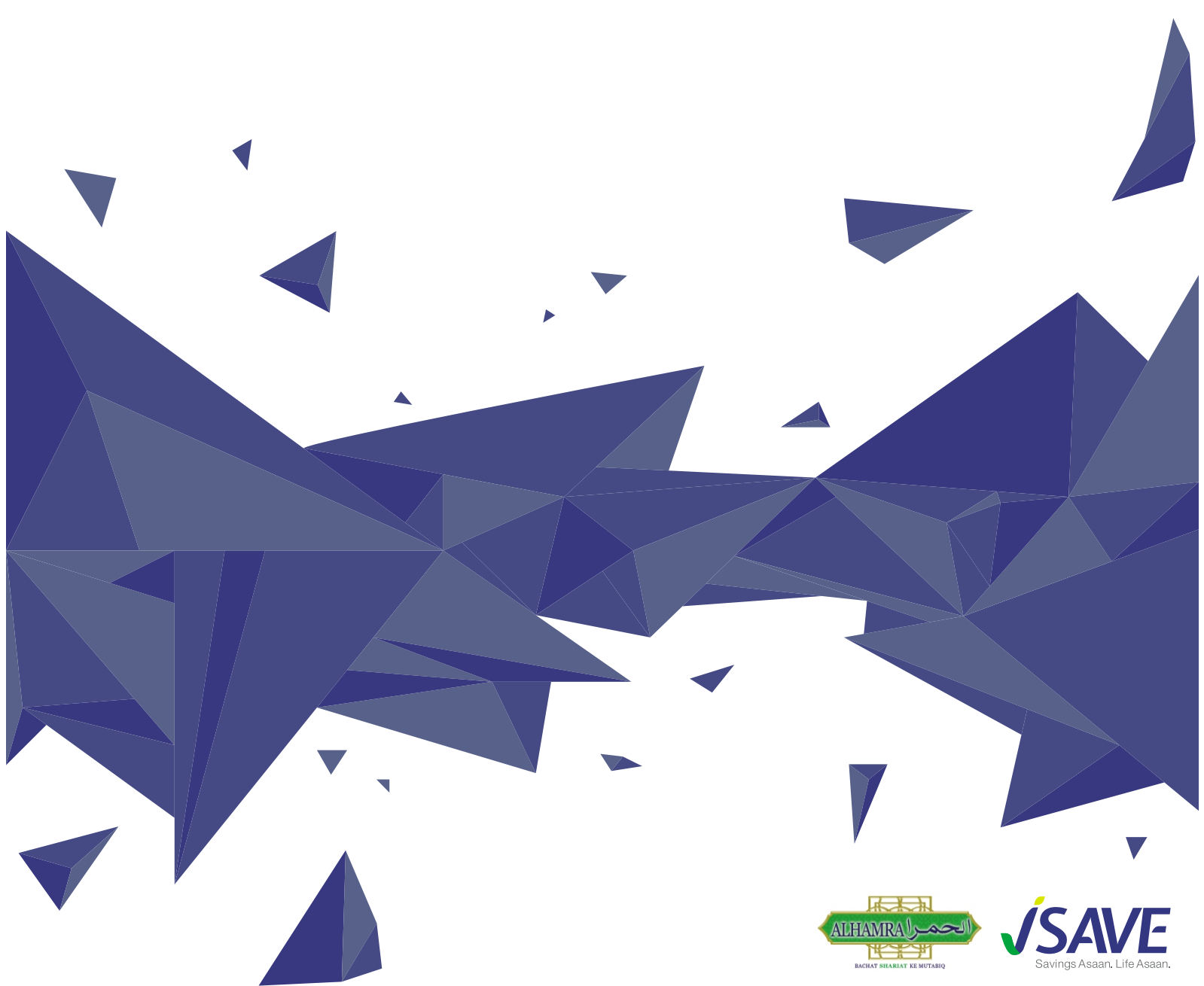


MCB FUNDS  
Investments for Life

# QUATERLY REPORT

MARCH  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **MCB PAKISTAN ASSET ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah	Chairman Member Member Member Member
<b>Credit Committee</b>	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Khawaja Khalil Shah	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank Limited Zarai Taraqati Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited	Finca Microfinance Bank Limited HBL Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited The Bank of Khyber
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Asset Allocation** Fund accounts review for the nine months ended March 31, 2024.

### **Economy and Money Market Review**

Macroeconomic indicators have been on an improving path since the start of the fiscal year. The government secured a much-needed Stand-by Arrangement (SBA) facility of USD 3 billion from the IMF in June 23, and managed to receive timely rollovers from friendly countries. It also showed unwavering commitment to remain compliant with the IMF targets and as a result government was able to successfully reach staff level agreement with IMF in the first and second reviews. After formation of new cabinet, the government has also publicly announced its intention to seek a new IMF program of at least USD 6.0 billion after the current program expires.

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

Country posted a current account deficit (CAD) of USD 1.0 billion in the first eight months of the fiscal year 2024 (8MFY24) declining by 74% YoY compared to a deficit of USD 3.8 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 10.2% increase in exports coupled with an 8.8% drop in imports led to a 27.6% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 8.0 billion as of March 2024 compared to USD 4.4 billion at the end of last fiscal year. This was on account of flows from the IMF, friendly countries and multilateral sources.

Headline inflation represented by CPI averaged 27.1% during first nine months of the fiscal year compared to 27.3% in the corresponding period last year. Inflation remained on the higher side as massive currency depreciation in the prior periods led to surge in food and energy prices. The government also hiked electricity base tariff and gas prices to comply with the IMF conditions, which led to further inflationary pressures. The SBP maintained status quo in the monetary policy held on March 18, 2024. The Committee assessed that the level of inflation remains high and its outlook is susceptible to risks amidst elevated inflation expectations which warranted a cautious approach in the near term.

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

### **Equity Market Review**

The stock market witnessed exuberance in the first nine months of fiscal year 2024, as the benchmark KSE-100 increased by 61.6%, or 25,552 points, to close at all time high of 67,005 points. The bullish momentum was on account of improvements in

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

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macroeconomic indicators after Pakistan entered into the new IMF program. Market participants also cheered the successful completion of all IMF reviews under SBA. Moreover, the successful conclusion of elections in February 2024 brought long due clarity amongst investors. In addition, reaffirmation by the incumbent government to continue structural reforms, along with the intention to enter a longer IMF program, further uplifted sentiment. Lastly, the strength of the local currency post-crackdown on currency smuggling and hoarding, strong corporate profitability, and market expectations of monetary easing towards the end of the second half of the fiscal year, all contributed to the sustainable rally.

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

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

### FUND PERFORMANCE

The fund posted a return of 24.25% during the period under review against the benchmark return of 18.24%. The fund has gradually increased exposure in equities which reached to 84.7% by the end of March 31, 2024 and at the same time it decreased the exposure in cash to 13.1% by March 31, 2024.

On the equity side, the fund was mainly invested in Commercial Banks and Cement.

The Net Assets of the Fund as at March 31, 2024 stood at Rs. 642 million as compared to Rs. 611 million as at June 30, 2023 registering a increase of 5.07%. The Net Asset Value (NAV) per unit as at March 31, 2024 was Rs. 119.1846 as compared to opening NAV of Rs. 76.5925 per unit as at June 30, 2023 registering an increase of 42.5921 per unit.

### Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 2.7% in FY24 after a dismal performance last year where the GDP contracted by 0.17%. The outlook for agricultural output is optimistic, with an expected increase of 6.1%. This growth is attributed to rebound in production compared to the previous year, which was marred by heavy floods affecting crops like rice and cotton. Particularly encouraging is the notable increase in cotton arrivals, rising by 71% year-on-year to reach 8.4 million bales in the fiscal year 2024. However Industrial and services sector growth is likely to remain lackluster and will clock at 1.1% and 1.8% respectively due to overall economic slowdown amid all time high interest rates.

We expect government to enter a new long-term IMF program worth atleast USD 6 billion, after the current program expires. Successful continuation of the IMF program will be a key positive as it will allow us to tap funding from bilateral and multilateral sources. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current

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

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economic challenges. Thus, we would have to ensure a sustainable current account this year to stave off external concerns. We expect a CAD of USD 1.4 billion (0.4% of GDP) in FY24 and USD 3.2bn (0.8% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella.

The USD PKR is expected to remain stable as the government is focusing on improving current account deficit on the back of recovery in export and remittances. Entry into the new IMF program will also increase visibility on the external funding. We expect USD/PKR to close the fiscal year around PKR 300.

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

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

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

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 48.3% during 9MFY24 to PKR 2,319 billion. Total money market funds grew by about 30.0% since June 2023. Within the money market sphere, conventional funds showed a growth of 17.4% to PKR 556 billion while Islamic funds increased by 43.9% to PKR 618 billion. In addition, the total fixed Income funds increased by about 93.2% since June 2023 to PKR 714 billion while Equity and related funds increased by 35.3% to PKR 227 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 50.6%, followed by Income funds with 30.8% and Equity and Equity related funds having a share of 9.8% as at the end of March 2024.

### **Mutual Fund Industry Outlook**

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

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

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access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

### ACKNOWLEDGMENT

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

On behalf of Directors,



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**Khawaja Khalil Shah**  
Chief Executive Officer  
April 22, 2024



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**Manzar Mushtaq**  
Director  
April 22, 2024

## ڈائریکٹرز رپورٹ

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

اظہار تشکر

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

منجانب ڈائریکٹرز

*Manzoor Mushtaq*

منظر مشتاق

ڈائریکٹر

کراچی، 22 اپریل 2024ء

*خواجہ خلیل شاہ*

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی، 22 اپریل 2024ء

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

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

#### میوچل فنڈ صنعت کا جائزہ

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

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

#### میوچل فنڈ صنعت کا نقطہ نظر

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

## معیشت اور مارکیٹ - مستقبل کے امکانات

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

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

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

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

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

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

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 24.25 فیصد منافع پوسٹ کیا، بالمقابل مقررہ معیار 18.24 فیصد منافع کے۔ فنڈ نے ایکویٹیز میں سرمایہ کاری میں بتدریج اضافہ کیا ہے جو 31 مارچ 2024ء تک 84.7 فیصد ہو چکی تھی، اور بیک وقت نقد میں سرمایہ کاری میں کمی کی ہے جو 31 مارچ 2024ء تک 13.1 فیصد ہو گئی تھی۔

ایکویٹیز کی جہت میں فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ میں تھی۔

31 مارچ 2024ء کو فنڈ کے net اثاثہ جات 642 ملین روپے تھے، جو 30 جون 2023ء کی سطح 611 ملین روپے کے مقابلے میں 5.07 فیصد اضافہ ہے۔

31 مارچ 2024ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 119.1846 روپے تھی، جو 30 جون 2023ء کو ابتدائی این اے وی فی یونٹ 76.5925 روپے کے مقابلے میں 42.5921 روپے فی یونٹ اضافہ ہے۔

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

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

#### ایکویٹی مارکیٹ کا جائزہ

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

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

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ایسیٹ ایلوکیشن فنڈ کے اکاؤنٹس نو ماہ مختتمہ 31 مارچ 2024ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

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

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

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

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

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Bank balances	4	89,627	97,614
Investments	5	578,203	555,303
Dividend and profit receivable		9,742	3,167
Receivable against sale of investments		-	4,465
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits, prepayments and other receivables		4,211	4,209
<b>Total assets</b>		<b>682,916</b>	<b>665,892</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	6	2,657	1,922
Payable to Central Depository Company of Pakistan Limited - Trustee		121	113
Payable to Securities and Exchange Commission of Pakistan	7	51	144
Payable against redemption of units		31	31
Payable against purchase of investments		1,566	16,743
Accrued expenses and other liabilities	8	36,041	36,289
<b>Total liabilities</b>		<b>40,466</b>	<b>55,242</b>
<b>NET ASSETS</b>		<b>642,450</b>	<b>610,650</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>642,450</b>	<b>610,650</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>5,390,379</b>	<b>7,972,712</b>
----- (Rupees) -----			
<b>NET ASSET VALUE PER UNIT</b>		<b>119.1846</b>	<b>76.5925</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

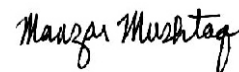
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

Note	Nine months ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
----- (Rupees in '000) -----				
<b>INCOME</b>				
Income from government securities	2,575	4,935	2,993	230
Capital gain /(loss) on sale of investments - net	112,818	(30,074)	35,960	(15,541)
Dividend income	40,610	46,901	13,568	11,026
Profit on bank deposits	12,674	12,275	5,411	4,436
Unrealised Appreciation / (Diminution) in fair value of investments classified as fair value through Profit and Loss -Net	122,413	(30,659)	(24,963)	11,123
Other income	161	100	(2,521)	36
<b>Total Income</b>	<b>291,251</b>	<b>3,476</b>	<b>30,448</b>	<b>11,310</b>
<b>EXPENSES</b>				
Remuneration of MCB Investment Management Limited - Management Company	14,867	18,671	4,700	5,124
Sindh Sales Tax on remuneration of Management Company	1,933	2,427	611	666
Allocated expenses	418	564	153	153
Remuneration of Central Depository Company of Pakistan Limited - Trustee	950	1,126	315	309
Sindh Sales Tax on remuneration of Trustee	123	147	41	41
Annual fee to Securities and Exchange Commission of Pakistan	450	114	149	31
Selling and Marketing Expenses	1,178	-	774	-
Brokerage and settlement charges	2,338	2,619	846	931
Legal and professional charges	176	157	82	76
Auditors' remuneration	746	740	235	226
Other expenses	377	401	(264)	311
<b>Total expenses</b>	<b>23,556</b>	<b>26,966</b>	<b>7,642</b>	<b>7,868</b>
<b>Net income from operating expenses</b>	<b>267,695</b>	<b>(23,490)</b>	<b>22,806</b>	<b>3,442</b>
Taxation	-	-	-	-
<b>Net income /(loss) for the period after taxation</b>	<b>267,695</b>	<b>(23,490)</b>	<b>22,806</b>	<b>3,442</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	267,695	-		
Income already paid on units redeemed	(40,991)	-		
	226,704	-		
<b>Accounting income available for distribution</b>				
Relating to capital gains	199,106	-		
Excluding capital gains	27,598	-		
	226,704	-		
<b>Earnings per unit</b>				

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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

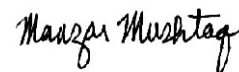
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months ended March 31,		Quarter ended March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income for the period after taxation	267,695	(23,490)	22,806	3,442
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>267,695</b>	<b>(23,490)</b>	<b>22,806</b>	<b>3,442</b>

The annexed notes 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2024

	For Nine months ended March 31,					
	2024			2023		
	(Rupees in '000)					
	Capital Value	Accumulated Losses	Total	Capital Value	Accumulated Losses	Total
Net assets at beginning of the period	1,799,783	(1,189,133)	610,651	2,024,393	(1,186,410)	837,983
Issue of 397,332 units (2023: 886,052 units)						
- Capital value (at net asset value per unit at the beginning of the period)	30,433	-	30,433	29,380	-	29,380
- Element of income	13,473	-	13,473	(370)	-	(370)
	43,906	-	43,906	29,010	-	29,010
Redemption of 2,979,664 units (2023: 3,210,898 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(228,220)	-	(228,220)	(244,358)	-	(244,358)
- Element of income	(10,591)	(40,991)	(51,582)	6,978	-	6,978
	(238,811)	(40,991)	(279,802)	(237,380)	-	(237,380)
Total comprehensive Loss for the period	-	267,695	267,695	-	(23,490)	(23,490)
<b>Net assets at end of the period</b>	<b>1,604,878</b>	<b>(962,429)</b>	<b>642,450</b>	<b>1,816,023</b>	<b>(1,209,900)</b>	<b>606,122</b>
<b>Undistributed loss brought forward</b>						
- Realised		(1,170,235)			(1,111,834)	
- Unrealised		(18,898)			(74,576)	
		(1,189,133)			(1,186,410)	
Accounting income available for distribution						
- Relating to capital gains	199,106			-		
- Excluding capital gains	27,598			-		
	226,704			-		
Net loss for the period after Taxation		-			(23,490)	
<b>Undistributed loss carried forward</b>		<b>(962,429)</b>			<b>(1,209,900)</b>	
<b>Undistributed loss carried forward</b>						
- Realised	(1,084,842)			(1,179,241)		
- Unrealised	122,413			(30,659)		
	(962,429)			(1,209,900)		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	76.5925			76.1026		
Net assets value per unit at end of the period	119.1846			74.0403		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

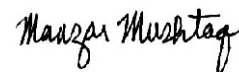
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine Months ended March 31,	
	2024	2023
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the period before taxation	267,695	(23,490)
<b>Adjustments for non cash and other items:</b>		
Unrealised diminution/(appreciation) in fair value of investments classified as 'at fair value through profit or loss' - net	(122,413)	30,659
Dividend Income	(40,610)	(46,901)
	<b>104,672</b>	<b>(39,732)</b>
<b>(Increase) / decrease in assets</b>		
Investments	99,514	315,710
Dividend and profit receivable	(7,087)	(6,838)
Receivable against sale of investments	4,465	(7,400)
Advances, deposits, prepayments and other receivables	(2)	(7)
	<b>96,890</b>	<b>301,465</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB Investment Management Limited - Management Company	735	(740)
Payable to Central Depository Company of Pakistan Limited - Trustee	8	(41)
Payable to Securities and Exchange Commission of Pakistan	(93)	(102)
Payable against purchase of investments	(15,177)	(45,106)
Accrued expenses and other liabilities	(248)	705
	<b>(14,775)</b>	<b>(45,284)</b>
Dividend received	41,122	47,413
<b>Net cash generated from operating activities</b>	<b>227,909</b>	<b>263,862</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	43,906	29,010
Payments against redemption of units	(279,802)	(237,380)
<b>Net cash used in financing activities</b>	<b>(235,896)</b>	<b>(208,370)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>(7,987)</b>	<b>55,492</b>
Cash and cash equivalents at beginning of the period	97,614	91,513
<b>Cash and cash equivalents at end of the period</b>	<b>89,627</b>	<b>147,005</b>

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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

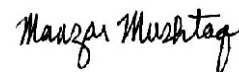
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Asset Allocation (the Fund) was established through a Trust Deed executed between MCB Asset Management Company Limited (Now: MCB Investment Management Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letters dated December 17, 2007 consequent to which Trust Deed was executed on November 22, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 12, 2021 the Trust Deed of the fund had been registered under the Sindh Trust Act.

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

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 the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

The fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the fund is to provide a high absolute return by investing in equity and debt securities. The units of the Funds were initially offered for public subscription at a par value of Rs. 100 per unit. Thereafter, units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering to the Fund. The Fund has been categorised as 'Asset Allocation' scheme by the Board of Directors of Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' on October 06, 2023 (2022: 'AM1' dated October 6, 2022) to the Management Company.

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements have 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 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34 'Interim Financial Reporting', the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2023. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2024 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2023, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2023.

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

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

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

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

## 3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

## 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

## 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	(Un-audited) March 31, 2024 --- (Rupees in '000) ---	(Audited) June 30, 2023
<b>4. BANK BALANCES</b>			
Savings accounts	4.1	82,158	92,356
Current accounts	4.2	7,469	5,258
		<u>89,627</u>	<u>97,614</u>

4.1 These carry mark-up at rates ranging between 20.5% per annum (June 2023: 12.25% to 21.5% per annum).

4.2 These include balances of Rs. 7.466 million (June 2023: Rs. 5.259 million) maintained with MCB Bank Limited (a related party).

	Note	(Un-audited) March 31, 2024 ----- (Rupees in '000) -----	(Audited) June 30, 2023
<b>5. INVESTMENTS</b>			

## Financial assets 'at fair value through profit or loss'

Listed equity securities - Ordinary Shares	5.1.1	555,544	473,722
Listed equity securities - Preference Shares	5.1.1.3	22,660	24,000
Market treasury bills	5.1.1.4	-	57,581
		<u>578,204</u>	<u>555,303</u>

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

## 5.1 Financial assets 'at fair value through profit or loss'

### 5.1.1 Listed equity securities - Ordinary Shares

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	As at July 1, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2024	As at March 31, 2024			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
						(Rupees in '000)			(%)		
Automobile Assembler											
Indus Motors Company Limited	-	7,500	-	7,500	-	-	-	-	0.00%	0.00%	0.00%
Pak Suzuki Motors Company Limited	-	26,000	-	26,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			
Automobile Parts and Accessories											
Agriauto Industries Limited	63,125	29,500	-	-	92,625	6,072	9,263	3,191	1.44%	1.60%	0.26%
Panther Tyres Limited	-	40,000	-	-	40,000	1,580	1,539	(41)	0.24%	0.27%	0.04%
Thal Limited	-	34,500	-	-	34,500	9,540	12,177	2,638	1.90%	2.11%	0.00%
						17,192	22,979	5,787			
Cement											
Attock Cement Pakistan Limited	4,000	-	-	4,000	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited*	433,000	164,500	-	597,500	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited**	2,225,000	299,000	-	1,329,000	1,195,000	14,256	21,080	6,823	3.28%	3.65%	0.05%
Gharibwal Cement Ltd	148,500	-	-	148,500	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Company Limited	52,050	-	-	52,050	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	80,000	52,037	-	52,037	80,000	50,088	61,198	11,111	9.53%	10.58%	0.02%
Maple Leaf Cement Factory Limited**	1,220,000	478,000	-	843,000	855,000	25,309	30,421	5,112	4.74%	5.26%	0.08%
Pioneer Cement Limited	43,000	45,000	-	43,000	45,000	5,153	5,748	595	0.89%	0.99%	0.02%
						94,806	118,447	23,641			
Chemicals											
Archroma Pakistan Limited	13,700	-	-	-	13,700	6,439	5,657	(782)	0.88%	0.98%	0.04%
Ittehad Chemicals Limited	-	25,500	-	-	25,500	1,138	995	(143)	0.15%	0.17%	0.03%
Lucky Core Industries Limited	-	6,000	-	-	6,000	3,970	5,145	1,175	0.80%	0.89%	0.01%
						11,547	11,796	249			
Commercial Banks											
Bank Alfalah Limited**	296,500	1,239,000	-	923,000	612,500	33,501	32,077	(1,424)	4.99%	5.55%	0.03%
Faysal Bank Limited	-	620,000	-	125,000	495,000	12,043	16,855	4,812	2.62%	2.92%	0.03%
Habib Bank Limited	1,000	371,176	-	372,176	-	-	-	-	0.00%	0.00%	0.00%
Habib Metropolitan Bank Limited	-	453,000	-	88,000	365,000	15,514	20,893	5,379	3.25%	3.61%	0.03%
Meezan Bank Limited	220,515	291,485	-	269,000	243,000	27,698	51,910	24,212	8.08%	8.98%	0.01%
National Bank Of Pakistan	-	155,000	-	-	155,000	6,309	5,930	(379)	0.92%	1.03%	0.01%
United Bank Limited**	111,000	192,000	-	200,000	103,000	12,931	18,775	5,843	2.92%	3.25%	0.01%
						107,996	146,439	38,443			
Engineering											
International Steels Limited	-	182,782	-	91,782	91,000	4,528	5,971	1,444	0.93%	1.03%	0.02%
Mughal Iron and Steel Industries Limited	300,000	185,000	-	136,000	349,000	19,598	22,011	2,413	3.43%	3.81%	0.10%
						24,126	27,983	3,857			
Fertilizer											
Engro Fertilizer Limited	70,000	-	-	70,000	-	-	-	-	0.00%	-	0.00%
Engro Corporation Limited	73,000	-	-	73,000	-	-	-	-	0.00%	-	0.00%
Fauji Fertilizer Bin Qasim Limited	869,000	165,000	-	1,034,000	-	-	-	-	0.00%	-	0.00%
Fauji Fertilizer Company Limited	-	308,778	-	154,000	154,778	18,526	19,541	1,015	3.04%	3.38	0.01%
						18,526	19,541	1,015			
Food & Personal Care Products											
Murree Brewery Company	10,650	-	-	10,650	-	-	-	-	0.00%	0.00%	0.00%
National Foods Limited	110,000	-	-	33,000	77,000	7,577	12,561	4,984	1.96%	2.17%	0.03%
The Organic Meat Company Limited	308,722	-	-	308,722	-	-	-	-	0.00%	0.00%	0.00%
						7,577	12,561	4,984			
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited	-	520,000	-	-	520,000	6,990	7,384	394	1.15%	0.06%	0.16%
						6,990	7,384	394			
Leather & Tanneries											
Bata Pakistan Limited	1,920	-	-	1,920	-	-	-	-	0.00%	-	0.00%
						-	-	-			
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	190,000	-	-	190,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	-	245,000	-	245,000	-	-	-	-	0.00%	0.00%	0.00%
Mari Petroleum Company Limited	20,000	-	-	20,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			
Paper And Board											
Century Paper & Board Mills Limited	126,000	-	-	126,000	-	-	-	-	0.00%	0.00%	0.00%
Packages Limited	33,300	-	-	-	33,300	12,952	18,641	5,689	2.90%	3.22%	0.04%
						12,952	18,641	5,689			
Oil And Gas MarketingCompanies											
Shell (Pakistan) Limited	40,000	-	-	40,000	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	150,000	-	-	150,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			

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

Name of investee company	As at July 1, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2024	As at March 31, 2024			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Number of shares)						(Rupees in '000)			(%)		
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	-	10,200	-	-	10,200	4,681	4,884	203	0.76%	0.84%	0.01%
Agp Limited	55,000	145,000	-	55,000	145,000	10,110	10,762	652	1.68%	1.86%	0.05%
Citi Pharma limited	385,500	56,000	-	171,500	270,000	5,816	6,261	445	0.97%	1.08%	0.12%
Ferozsons Laboratories Limited	44,000	-	-	17,500	26,500	3,627	5,815	2,189	0.00%	0.00%	0.06%
Haleon Pakistan Limited	55,000	25,000	-	18,500	61,500	9,281	11,993	2,712	0.00%	0.00%	0.05%
Highnoon Laboratories Limited	24,667	9,000	-	14,620	19,047	6,855	9,703	2,849	0.00%	0.00%	0.04%
						40,370	49,419	9,049			
Power Generation and Distribution											
Hub Power Company Limited**	362,000	53,000	-	226,000	189,000	15,552	22,920	7,368	3.57%	3.96%	0.01%
Nishat Chunian Power Limited	-	380,000	-	-	380,000	9,955	9,960	5	1.55%	1.72%	0.10%
Lalpir Power Limited*	-	60,000	-	-	60,000	914	1,190	276	0.19%	0.21%	0.02%
						26,421	34,070	7,649			
Refinery											
Attock Refinery Limited	-	49,400	-	49,400	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			
Technology and Communication											
Hum Network Limited	250,000	-	-	250,000	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	62,500	30,000	-	62,500	30,000	11,556	11,561	5	1.80%	2.00%	0.01%
						11,556	11,561	5			
Textile Composite											
Nishat (Chunian) Limited	-	385,000	-	-	385,000	10,036	9,048	(988)	1.41%	1.56%	0.16%
Gul Ahmed Textile Mills Limited	372,424	415,000	-	162,000	625,424	11,701	12,390	688	1.93%	2.14%	0.08%
Kohinoor Textile Mills Limited	294,000	-	-	294,000	-	-	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited*	-	178,000	-	178,000	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited	562,371	189,962	-	315,371	436,962	17,152	32,750	15,598	5.10%	5.66%	0.03%
						38,889	54,187	15,298			
Tobacco											
PAKISTAN TOBACCO COMPANY LIMIED	9,400	6,500	-	100	15,800	10,278	17,743	7,465	2.76%	3.07%	0.01%
						10,278	17,743	7,465			
Miscellaneous											
Pakistan Aluminium Beverage CansLimited	-	25,000	-	-	25,000	1,647	1,779	132	0.28%	0.31%	0.01%
Synthetic Products Limited	312,000	61,000	-	300,000	73,000	918	1,013	95	0.16%	0.18%	0.04%
						2,565	2,792	227			
Total as at March 31, 2024						431,790	555,544	123,753			
Total as at June 30, 2023						493,834	473,722	(20,112)			

\* These denote related parties / connected persons.

\*\* These shares having market value aggregating to Rs 39.724 million (June 2023: Rs 32.085 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

5.1.1.2 There is no change in the status of matter related to bonus shares as reported in note 5.1.1.2 to the annual audited financial statements of the Fund for the year ended June 30, 2023. The bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares having market value as at March 31, 2024 amounted to Rs. 1.2604 million (June 30, 2023: Rs 0.762 million).

## 5.1.1.3 Listed equity securities - Preference Shares

Name of investee company	As at July 1, 2023	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2024	As at March 31, 2024			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
----- (Rupees in '000) -----											
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	2,000,000	24,000	22,660	(1,340)	3.53%	3.92%	0.00%
Total as at March 31, 2024						24,000	22,660	(1,340)			
Total as at June 30, 2023						22,700	24,000	1,300			

These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 and March 31 will be considered.

#### 5.1.1.4

## Government Securities-Market Treasury Bills

**240 MCB PAKISTAN ASSET ALLOCATION FUND**

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

		(Un-audited) March 31, 2024	(Audited) 30 June 2023
		(Rupees in '000)	
<b>6. PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	6.1	1,624	1,655
Sindh sales tax payable on management remuneration	6.2	211	215
Sales load payable		-	2
Payable against allocated expenses	6.3	48	50
Marketing & Selling payable	6.4	774	-
		<u>2,657</u>	<u>1,922</u>

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

**6.2** Sindh sales tax on remuneration of the management company has been charged at the rate of 13%.

**6.3** The Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company has charged allocated expenses to the Fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

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

## **7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average Net Assets of Collective investment Scheme calculated on daily basis. Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to from 0.02% to 0.095% of net assets. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	(Rupees in '000)	
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Provision for Federal Excise Duty and related tax on	8.1	
- Management fee	19,027	19,027
- Sales load	16,173	16,173
Withholding Tax Payable	2	-
Auditors' remuneration payable	505	674
Brokerage payable	112	233
Others	222	182
	<u>36,041</u>	<u>36,289</u>

## **8.1 Federal Excise Duty on remuneration to the Management Company**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2024 would have been higher by Re. 6.53 per unit (June 30, 2023: Re. 4.41per unit).

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

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2024 (June 30, 2023: Nil).

## 10. 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 capital gains, whether realized or unrealized, 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 as reduced by capital gains (whether realized or unrealized) to its unit holders, therefore, no provision for taxation has been made in these condensed interim financial statements 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.

## 11. 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.

## 12. EXPENSE RATIO

The annualized total expense ratio (TER) of the Fund based on the current period results is 4.95% (March 31, 2023: 4.77%) which includes 0.57% (March 31, 2023: 0.47%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

## 13. CASH AND CASH EQUIVALENTS

	March 31, 2024 (Un audited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
Balances with banks	89,627	97,614
Market Treasury Bills	-	57,581
	<u>89,627</u>	<u>155,195</u>

## 14. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, MCB Islamic Bank Limited (being 100% subsidiary of the Holding Company), the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

Remuneration of the Trustee 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 NINE MONTHS ENDED MARCH 31, 2024**

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

For the nine months ended March 31, 2024					
As at July 1, 2023	Issued for cash	Redeemed	As at March 31, 2024	As at July 1, 2023	Issued for cash
Units (Rupees in '000)					

**Associated companies / undertakings**

Adamjee Life Assurance Company Limited. IMF	3,878,277	-	945,432	2,932,845	297,047	-	85,000	224,634
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	35,272	-	2,702	-	3,039	-
<b>Mandate Under Discretionary Portfolio Services</b>	287,748	-	10,738	277,010	22,039	-	1,120	33,015

For the nine months ended March 31, 2023					
As at July 1, 2022	Issued for cash	Redeemed	As at March 31, 2023	As at July 1, 2022	Issued for cash
Units (Rupees in '000)					

**Associated companies / undertakings**

Adamjee Life Assurance Company Limited. IMF	3,878,276	-	-	3,878,276	295,147	-	-	287,149
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	-	35,272	2,684	-	-	2,612
<b>Mandate Under Discretionary Portfolio Services</b>	157,085	190,941	60,278	287,748	11,955	14,000	4,498	21,305
<b>Unitholders 10% or more</b>	951,285	-	-	951,285	72,395	-	-	70,433

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

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

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	16,800	21,098
Allocated expenses	418	564
Selling and Marketing Expenses	1,178	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	1,073	1,274
CDC settlement charges	75	32
<b>MCB Bank Limited - holding company of the Management Company</b>		
Profit on bank balances	2	1
Bank charges	4	3
<b>D. G. Khan Cement Company Limited</b>		
Purchase of shares 164,500 (2023: 485,000 )	9,258	24,708
Sale of shares 597,500 (2023: 625,000 )	33,159	32,935
Dividend Income	-	210
<b>Nishat Mills Limited</b>		
Purchase of shares 178,000 (2023:210,000)	11,832	15,159
Sale of shares 178,000 (2023:240,000)	12,070	15,676
Dividend income	-	620
<b>International Steels Limited</b>		
Purchase of shares 182,782 (2023:NIL)	9,095	-
Sale of shares 91,782 (2023:NIL)	6,531	-
Dividend income	779	-
<b>Lalpir Power Limited</b>		
Purchase of shares 60,000 (2023:NIL)	914	-

## 14.3 Amount outstanding as at period end / year end

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
<b>MCB Investment Management Limited - Management Company</b>		
Management remuneration payable	1,624	1,655
Sindh sales tax payable on management remuneration	211	215
Sales load payable	-	2
Payable against allocated expenses	48	50
Marketing & Selling payable	774	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	107	100
Sindh Sales Tax payable on trustee remuneration	14	13
Security deposits	100	100
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	7,477	5,264
<b>D.G. Khan Cement Company Limited</b>		
Shares held by Fund 2024 Nil (June 2023: 433,000)	-	22,213
<b>International Steels Limited</b>		
Shares held by Fund 2024: 91,000 (June 2023: Nil)	5,971	-
<b>Lalpir Power Limited</b>		
Shares held by Fund 2024: 60,000 (June 2023: Nil)	1,190	-

\* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not related parties / connected persons.

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

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### Fair value hierarchy

International Financial Reporting Standard IFRS 13 - "Fair Value Measurement" requires the fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

**Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3:** inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

## 16 GENERAL

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

**16.2** Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there were no material reclassifications to report.

## 17 DATE OF AUTHORISATION FOR ISSUE

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

For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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