

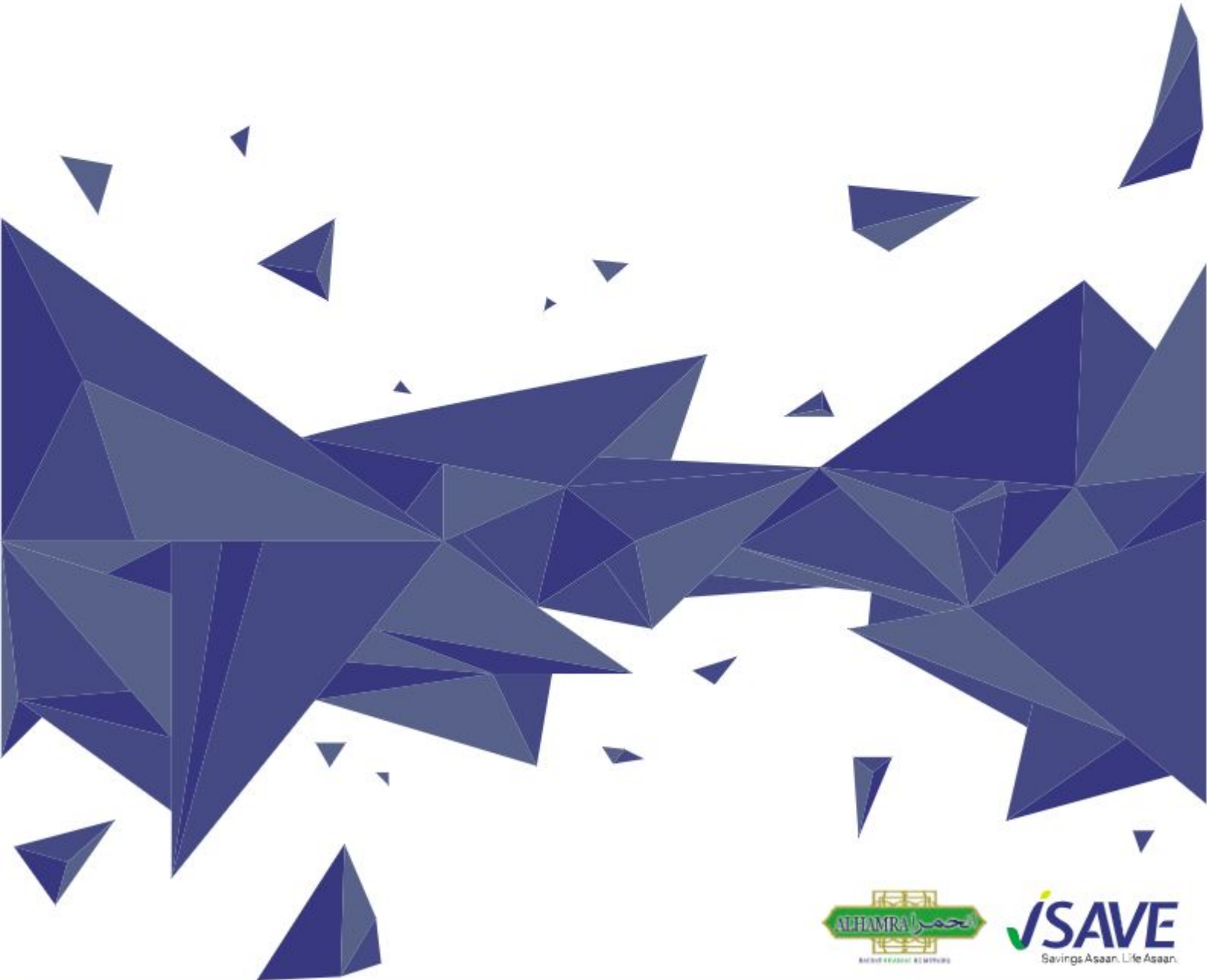


MCB FUNDS
Investments for Life

QUATERLY REPORT

SEPTEMBER
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



Vision

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

Mission

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

Core Values

HONESTY

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

INTEGRITY

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

ETHICS

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

PROFESSIONALISM

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

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MCB DCF INCOME FUND

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FUND'S INFORMATION

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

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Income Fund** accounts review for the quarter ended September 30, 2024.

Economy Review

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

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

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

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

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 25.38% as against its benchmark return of 18.90%. The WAM of the fund decreased to 2.3 years. The fund allocation remained notably in T-Bills, PIB's and Cash at the end of the period under review. At period-end, the fund was invested 55.7% in T-Bills, 17.2% in PIBs and 19.6% in Cash. The Net Assets of the Fund as at September 30, 2024 stood at Rs. 17,656 million as compared to Rs. 16,312 million as at June 30, 2024 registering an increase of 8.24%.

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

The Net Asset Value (NAV) per unit as at September 30, 2024 was Rs. 116.0628 as compared to opening NAV of Rs. 109.0852 per unit as at June 30, 2024 registering an increase of Rs. 6.9776 per unit.

Economy & Market – Future Outlook

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

The new IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 12.7bn by year end on the back of flows from friendly countries, IMF and multilateral agencies. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus, we would have to ensure a sustainable current account this year to stave off external concerns. We expect a CAD of USD 0.6bn (0.1% of GDP) in FY25 as policy of consolidation is likely to continue under the IMF umbrella. We are of the view that improvement in exports and remittances and increased comfort on the external side after entering into the IMF program will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close Jun-25 around 289.4.

The inflation reading has started to come down due to base effect and relatively stable currency. The headline inflation number in September 2024 clocked of 6.9% compared to a high of 38.0% in May 2023. This was the lowest reading in the last 44 months. The core inflation also remained on a declining trajectory, clocking at 10.4% (29 months low). We expect inflation to further decelerate in the coming months as base effect will become more pronounced. We anticipate CPI to average around 6.8% in FY25 compared to 23.9% in FY24. As the real interest rate remains significantly positive we foresee further interest cuts, expecting policy rate to decline around 13.0% by June 25.

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

Mutual Fund Industry Review

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

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

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

Mutual Fund Industry Outlook

Interest rates trajectory and expectations of further monetary easing shall continue to attract inflows in longer tenor instrument linked funds including Sovereign Funds and Income Funds. Money market funds should also benefit from higher liquidity as they are ideal for investors with a short-term horizon and low risk profile. With improved external account post agreement with IMF, long-term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

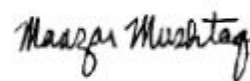
ACKNOWLEDGMENT

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

On behalf of Directors,



Khawaja Khalil Shah
Chief Executive Officer
October 21, 2024



Manzar Mushtaq
Director
October 21, 2024

ڈائریکٹرز رپورٹ

1,298 بلین ہو گئے جبکہ ایکویٹی اور متعلقہ فنڈز 5.6 فیصد بڑھ کر 270 PKR بلین ہو گئے۔

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

میوچل فنڈ انڈسٹری آؤٹ لک

شرح سود کی رفتار اور مزید مالیاتی نرمی کی توقعات طویل مدتی انسٹرومنٹ سے منسلک فنڈز بشمول Sovereign Funds اور Income Funds میں آمد کو راغب کرتی رہیں گی۔ منی مارکیٹ فنڈز کو بھی زیادہ لیکویڈیٹی سے فائدہ اٹھانا چاہیے کیونکہ یہ قلیل مدتی افق اور کم رسک پروفائل والے سرمایہ کاروں کے لیے مثالی ہیں۔ IMF کے ساتھ بہتر ایکسٹرنل اکاؤنٹ پوسٹ ایگریمنٹ کے ساتھ، طویل مدتی سرمایہ کاران انتہائی پرکشش سطحوں پر ایکویٹی میں سرمایہ کاری کرنے کی کوشش کریں گے۔ ہمارے کام بغیر کسی رکاوٹ کے جاری رہے اور ڈیجیٹل رسائی اور آن لائن کسٹمرز کے تجربے میں مسابقتی برتری کے پیش نظر، ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد کے فوائد حاصل کرنے کے لیے تیار ہیں۔

اعتراف

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا مسلسل تعاون کا شکریہ ادا کرتا ہے۔ ڈائریکٹرز نے انتظامیہ کی ٹیم کی کوششوں کو بھی سراہا۔

ڈائریکٹرز کی جانب سے،

Maszar Mushtaq

منظر مشتاق

ڈائریکٹر

21 اکتوبر، 2024

خواجہ خلیل شاہ

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

21 اکتوبر، 2024

ڈائریکٹرز رپورٹ

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

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

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

میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈز انڈسٹری کے خالص اثاثے 1QFY25 کے دوران تقریباً 13.9 فیصد بڑھ کر 2,931 PKR بلین ہو گئے۔ 24 جون سے کل منی مارکیٹ فنڈز میں تقریباً 0.2 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرے میں، روایتی فنڈز 19.4 فیصد اضافے کی وجہ سے 751 PKR بلین ہو گئے جبکہ اسلامی فنڈز نے 17.7 فیصد کمی کی وجہ سے 559 PKR بلین ہو گئے۔ مزید برآں، کل فکسڈ انکم اور فکسڈ ریٹ فنڈز جون 24 سے تقریباً 35.1 فیصد بڑھ کر 559 PKR

ڈائریکٹر رپورٹ

میں 2.5 فیصد اضافہ ہوا۔ زراعت میں 6.4 فیصد اضافہ ہوا، خدمات کے شعبے میں 2.2 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 1.2 فیصد کمی دیکھی گئی۔ صنعتی اور خدمات کے آؤٹ پٹ میں کمی کے پیچھے تاریخی بلند شرح سود اور مہنگائی کے ساتھ سیاسی غیر یقینی صورتحال سب سے بڑے مجرم تھے۔ مالیاتی پہلو پر، FBR کی ٹیکس وصولی 1QFY25 میں 25.2 فیصد بڑھ کر 2,556 بلین روپے ہو گئی، جو ہدف 96 ارب روپے سے کم ہے۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران، فنڈ نے 18.9 فیصد کے بیچ مارک ریٹرن کے مقابلے میں 25.38 فیصد کار ریٹرن دیا۔ فنڈ کا WAM کم ہو کر 2.3 سال ہو گئی۔ زیر نظر مدت کے اختتام پر فنڈ مختص خاص طور پر پی آئی بیس، ٹی بلز اور کیش میں رہا۔ مدت کے اختتام پر، فنڈ کی سرمایہ کاری ٹی بلز میں 55.7 فیصد، پی آئی بیس میں 17.2 فیصد اور کیش میں 19.6 فیصد کی گئی۔

30 جون 2024 تک فنڈ کے خالص اثاثے 16,312 ملین روپے تھے جب کہ 30 ستمبر 2024 کو یہ 17,656 ملین روپے رہے جو 8.24 فیصد کے اضافے کو ظاہر کرتے ہیں۔

30 جون 2024 اوپننگ نیٹ اثاثہ (NAV) کی قیمت فی یونٹ 109.0852 روپے تھی جب کہ 30 ستمبر 2024 کو یہ فی یونٹ 116.0628 روپے رہی جو 6.9776 روپے فی یونٹ کے اضافے کو ظاہر کرتی ہے۔

معیشت اور مارکیٹ - مستقبل کا آؤٹ لک

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

آئی ایم ایف کا نیا پروگرام کلیدی مثبت ہے کیونکہ یہ ہمیں دو طرفہ اور کثیر جہتی ذرائع سے فنڈنگ حاصل کرنے کی اجازت دیتا ہے۔ ہم توقع کرتے ہیں کہ دوست ممالک، آئی ایم ایف اور کثیر جہتی ایجنسیوں کی جانب سے آنے والے بہاؤ کی وجہ سے سال کے آخر تک SBP کے ذخائر بڑھ کر USD 12.7 بلین ہو جائیں گے۔ تاہم، ہماری بیرونی پوزیشن اب بھی

ڈائریکٹرز رپورٹ

پیارے سرمایہ کار،

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

معیشت کا جائزہ

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

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

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

نظر ثانی شدہ اعداد کے مطابق مالی سال 2024-2023 میں ملک کی جی ڈی پی میں گزشتہ سال -0.2 فیصد کے مقابلے

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

	September 30, 2024 (Un-Audited)	June 30, 2024 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	4 5,853,004	2,073,415
Investments	5 23,597,791	20,129,603
Mark-up and other receivables	384,128	467,325
Receivable against sale of investments	5	2,935,630
Advances, deposits and prepayments	6,346	41,095
Total assets	29,841,274	25,647,068
LIABILITIES		
Payable to MCB Investment Management Limited - Management Company	6 51,374	47,877
Payable to Central Depository Company of Pakistan Limited - Trustee	1,226	1,069
Payable to the Securities and Exchange Commission of Pakistan (SECP)	7 1,066	946
Payable against purchase of investments	11,091,048	8,418,942
Accrued and other liabilities	8 1,040,595	866,606
Total liabilities	12,185,309	9,335,440
NET ASSETS	17,655,965	16,311,628
Unit holders' fund (as per statement attached)	17,655,965	16,311,628
Contingencies and commitments	9	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	152,124,298	149,530,987
	----- (Rupees) -----	
NET ASSETS VALUE PER UNIT	116.0628	109.0853

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2024	2023
	Note ----- (Rupees in '000) -----	
INCOME		
Income from Government securities	692,712	364,085
Income from term finance certificates	67,759	68,403
Net gain / (loss) on sale of investments	288,309	(19,197)
Mark-up on bank deposits and term deposit receipt	65,959	77,933
Income on Letter of placements	-	2,157
Unrealised appreciation / (diminution) on re-measurement of investments classified 'at fair value through profit or loss' - net	58,270	(107)
Other Income	1,528	1,208
Total income	1,174,537	494,483
EXPENSES		
Remuneration of the Management Company	70,086	30,926
Sindh Sales tax on remuneration of the Management Company	10,513	4,020
Expenses allocated by the Management Company	749	2,062
Marketing and Selling Expense	-	18,349
Remuneration of the Trustee	3,206	1,546
Sindh Sales Tax on trustee fee	481	201
Annual fee to Securities and Exchange Commission of Pakistan	3,206	1,546
Brokerage and settlement and bank charges	3,335	1,225
Auditors' remuneration	269	226
Legal and professional charges	87	79
Others expenses	173	160
Total operating expenses	92,104	60,340
Net income for the period before taxation	1,082,433	434,142
Taxation	-	-
Net income for the period	1,082,433	434,142
<i>Allocation of net income for the period:</i>		
Net income for the period after taxation	1,082,433	434,142
Income already paid on units redeemed	(79,907)	(26,903)
	1,002,526	407,240
<i>Accounting income available for distribution:</i>		
- Relating to capital gains	329,471	-
- Excluding capital gains	673,054	407,240
	1,002,526	407,240
Earnings per unit		

11

12

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

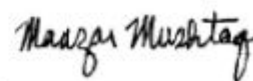
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2024	2023
	(Rupees in '000)	
Net income for the period after taxation	1,082,433	434,142
Other comprehensive income for the period:	-	-
Total comprehensive income for the period	<u>1,082,433</u>	<u>434,142</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30, 2024			September 30, 2023		
	(Rupees in '000)					
	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total
Net assets at beginning of the period	15,771,430	540,198	16,311,628	7,254,636	451,833	7,706,469
Issuance of 25,399,355 units (2023: 22,946,153 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,770,696	-	2,770,696	2,478,246	-	2,478,246
- Element of income	60,970	-	60,970	51,417	-	51,417
	2,831,666	-	2,831,666	2,529,663	-	2,529,663
Redemption of 22,806,044 units (2023: 10,046,806 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,487,804	-	2,487,804	1,085,082	-	1,085,082
- Element of loss	2,050	79,907	81,957	1,547	26,903	28,449
	2,489,854	79,907	2,569,761	1,086,629	26,903	1,113,531
Total comprehensive income for the period	-	1,082,433	1,082,433	-	434,142	434,142
	-	-	-	-	-	-
	-	1,082,433	1,082,432	-	434,142	434,142
Net assets at end of the period	16,113,242	1,542,724	17,655,965	8,697,671	859,072	9,556,743
Undistributed income brought forward comprising of:						
- Realised gain		523,682			487,707	
- Unrealised loss		16,516			(35,874)	
		540,198			451,833	
Accounting income available for distribution:						
- Relating to capital gains		329,471			-	
- Excluding capital gains		673,054			407,240	
		1,002,526			407,240	
Undistributed income carried forward		1,542,724			859,072	
Undistributed income carried forward comprising of:						
- Realised gain		1,196,145			878,376	
- Unrealised loss		346,579			(19,303)	
		1,542,724			859,072	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		109.0853			108.0027	
Net assets value per unit at end of the period		116.0628			113.4281	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

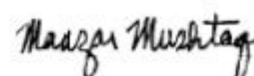
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,082,433	434,142
Adjustments for:		
Net unrealised loss on revaluation of investments 'at fair value through profit or loss - held-for-trading'	58,270	(107)
	<u>1,140,703</u>	<u>434,036</u>
Decrease / (increase) in assets		
Investments	(3,281,395)	3,720,133
Mark-up and other receivables	83,197	(112,719)
Receivable against sale of investments	2,935,625	1,114,288
Advances, deposits and prepayments	34,749	30,676
	<u>(227,823)</u>	<u>4,752,378</u>
(Decrease) / Increase in liabilities		
Payable to MCB Investment Management Limited -	3,497	21,271
Payable to Central Depository Company of Pakistan Limited - Trustee	157	99
Annual fee payable to SECP	120	(640)
Payable against purchase of investments	2,672,106	(4,228,664)
Accrued and other liabilities	173,989	1,454,750
	<u>2,849,869</u>	<u>(2,753,184)</u>
Net cash (used in) operating activities	<u>3,762,748</u>	<u>2,433,229</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	2,831,666	2,529,663
Payments on redemption of units	(2,569,761)	(1,113,531)
Net cash generated from operating activities	<u>261,905</u>	<u>1,416,132</u>
Net increase in cash and cash equivalents during the period	<u>4,024,653</u>	<u>3,849,361</u>
Cash and cash equivalents at beginning of the period	2,073,415	3,929,019
Cash and cash equivalents at end of the period	<u>10</u> <u>6,098,068</u>	<u>7,778,380</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB DCF Income Fund (the Fund) was established under a Trust Deed dated November 20, 2006 executed between Arif Habib Investments Limited (now MCB Investment Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) as a Collective Investment Scheme vide its letter dated on November 7, 2006 consequent to which the trust deed was executed on November 10, 2006 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust. Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open ended mutual fund and has been categorised as "Income Scheme" and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in money market and other instruments which includes corporate debt and government securities, repurchase agreements and spread transactions. The Fund may also invest a portion of the funds in medium term assets in order to provide higher return to the unit holders.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of AM1 dated October 04, 2024 to the Management Company and a stability rating of 'AA-(f)' dated September 09, 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 statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

- International Financial Reporting Standards (IFRSs) 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 VIII A of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2024. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2024 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2024, 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 quarter ended 30 September 2023.
- 2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

- 3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2024.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2024. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2024.

	Note	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
4 BALANCES WITH BANKS			
Current accounts		66,862	228,572
Savings accounts	4.1	5,786,142	1,844,843
	4.2	<u>5,853,004</u>	<u>2,073,415</u>

- 4.1** These carry profit at the rates ranging between 16% to 19% (June 2024: 19% to 22%) per annum.
- 4.2** This includes balances with related parties of Rs. 70.699 million (2024: Rs. 228.559 million) maintained with MCB Bank Limited and Rs. 4.189 million (2024:Rs. 0.277 million) maintained with MCB Islamic Bank Limited.

	Note	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		----- (Rupees in '000) -----	
5 INVESTMENTS			
Investments by Category			
At fair value through profit or loss			
Government securities	5.1	22,362,465	18,897,056
Unlisted debt securities	5.2	1,235,326	1,232,547
		<u>23,597,791</u>	<u>20,129,603</u>

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

5.1 Government securities at fair value through profit or loss - held-for-trading*

- Market treasury bills *

Name of security	Date of issue	Face Value			Balance as at September 30, 2024			Market value as at		
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealized gain / (loss)	Net Assets	Total Investments
(\$ figures in '000)										
Market Treasury Bills										
3 Months	August 27, 2024	-	280,000	-	280,000	244,828	249,063	128	1.29%	1.04%
3 Months	July 11, 2024	-	280,000	280,000	-	-	-	0.00%	0.00%	0.00%
3 Months	June 13, 2024	1,000,000	3,700,000	8,700,000	-	-	-	0.00%	0.00%	0.00%
3 Months	August 8, 2024	-	280,000	280,000	-	-	-	0.00%	0.00%	0.00%
Market Treasury Bills										
6 Months	September 8, 2024	-	1,800,000	1,800,000	-	-	-	0.00%	0.00%	0.00%
6 Months	August 27, 2024	-	4,000,000	2,900,000	1,900,000	1,419,888	1,417,287	(2,791)	0.00%	0.00%
6 Months	August 8, 2024	-	380,000	380,000	-	-	-	0.00%	0.00%	0.00%
6 Months	July 28, 2024	-	280,000	280,000	-	-	-	0.00%	0.00%	0.00%
6 Months	April 4, 2024	-	8,800,000	8,800,000	-	-	-	0.00%	0.00%	0.00%
6 Months	July 11, 2024	-	280,000	280,000	-	-	-	0.00%	0.00%	0.00%
Market Treasury Bills										
12 Months	July 11, 2024	-	48,440,000	44,800,000	4,840,000	4,183,433	4,183,432	59	23.77%	17.74%
12 Months	July 28, 2024	-	3,880,000	3,700,000	280,000	200,988	204,877	4,889	1.27%	0.88%
12 Months	December 14, 2023	800,000	3,800,000	1,000,000	3,000,000	2,908,389	2,808,812	444	16.47%	12.33%
12 Months	November 28, 2023	32,200	-	30,000	3,200	3,134	3,140	6	0.11%	0.11%
12 Months	August 22, 2024	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%	0.00%
12 Months	November 2, 2023	300	-	300	-	288	288	0	0.00%	0.00%
12 Months	May 16, 2024	300,000	-	300,000	-	288,948	278,488	8,001	1.88%	1.77%
12 Months	October 28, 2023	38,000,000	-	34,400,000	4,800,000	4,987,240	4,987,202	(37)	28.87%	18.28%
12 Months	November 18, 2023	48,800	-	48,000	1,800	1,789	1,784	5	0.01%	0.01%
12 Months	January 28, 2024	1,183,000	178,000	1,361,000	-	-	-	0.00%	0.00%	0.00%
12 Months	January 11, 2024	1,883,000	2,788,000	4,210,000	-	-	-	0.00%	0.00%	0.00%
12 Months	March 21, 2024	10,000	-	10,000	10,000	9,192	9,338	146	0.00%	0.04%
12 Months	July 13, 2023	8,042,000	-	8,042,000	-	-	-	0.00%	0.00%	0.00%
12 Months	August 8, 2024	-	280,000	247,888	2,438	2,128	2,179	83	0.01%	0.01%
12 Months	May 2, 2024	1,720,000	8,008,000	8,800,000	784,000	723,288	723,008	(240)	4.09%	2.98%
12 Months	September 8, 2024	-	8,008,000	8,008,000	1,818,000	1,813,025	1,814,841	(384)	9.10%	8.84%
12 Months	December 28, 2023	508,800	2,800,000	2,808,800	-	-	-	0.00%	0.00%	0.00%
12 Months	April 18, 2024	-	2,883,480	2,183,480	800,000	487,038	483,448	3,608	2.62%	1.86%
Total as at September 30, 2024					16,828,488	16,846,792	18,328			
Total as at June 30, 2024					10,848,802	10,849,028	732			

Pakistan Investment Bonds

Name of security	Date of issue	Face Value			Balance as at September 30, 2024			Market value as at		
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealized gain / (loss)	Net Assets	Total Investments
(\$ figures in '000)										
Pakistan Investment Bonds FRR										
05 years	April 18, 2024	3,800,000	8,818,000	12,880,000	-	-	-	0.00%	0.00%	
05 years	August 10, 2023	-	700,000	700,000	700,000	681,333	682,780	2,227	3.87%	2.80%
05 years	September 8, 2024	-	880,000	880,000	880,000	830,191	832,750	2,359	3.89%	2.89%
05 years	September 21, 2023	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%	0.00%
05 years	December 14, 2023	178,000	-	178,000	178,000	168,808	170,818	1,858	0.97%	0.72%
05 years	June 27, 2024	-	21,700,000	18,000,000	3,700,000	3,883,380	3,814,560	20,780	20.47%	16.32%
Pakistan Investment Bonds FRR										
10 years	August 27, 2018	30,000	-	-	30,000	34,378	34,478	101	0.20%	0.13%
Pakistan Investment Bonds										
02 years	September 28, 2024	-	378,000	378,000	-	-	-	0.00%	0.00%	0.00%
Pakistan Investment Bonds										
03 years	February 15, 2024	1,000,000	8,290,000	7,300,000	-	-	-	0.00%	0.00%	0.00%
03 years	September 28, 2024	-	280,000	280,000	-	-	-	0.00%	0.00%	0.00%
03 years	July 4, 2023	180,000	1,180,000	1,290,000	-	-	-	0.00%	0.00%	0.00%
Pakistan Investment Bonds										
05 years	September 28, 2024	-	280,000	280,000	-	-	-	0.00%	0.00%	0.00%
05 years	January 17, 2024	278,000	820,000	807,000	-	-	-	0.00%	0.00%	0.00%
Total as at September 30, 2024					6,108,330	6,126,968	28,627			
Total as at June 30, 2024					5,301,810	5,311,808	10,000			

Government Debt securities

Name of security	Date of issue	Number of certificates				Maturity	Balance as at September 30, 2024			Market value as at	
		As at July 01, 2024	Purchased during the period	Sold during the period	As at September 30, 2024		Carrying value	Market value	Unrealized gain / (loss)	Net Assets	Total Investments
(\$ figures in '000)											
GCF \$ars - 1 year	24-May-24	-	45	40	-	5	4	5	0	0.00%	0.00%
GCF \$ars - 1 year	15-Mar-24	530,980	-	125	525,180	5,505	5,490	5,544	54	0.03%	0.02%
GCF \$ars - 1 year	18-Sep-24	-	250,000	245,010	-	4,990	4,384	4,387	23	0.02%	0.02%
GCF \$ars - 1 year	07-Aug-23	90,000	-	-	90,000	-	-	-	-	0.00%	0.00%
GCF \$ars - 1 year	28-Jul-24	-	25,000	5	-	24,995	22,005	22,353	348	0.13%	0.09%
GCF \$ars - 1 year	20-Sep-23	250,000	-	-	250,000	-	-	-	-	0.00%	0.00%
GCF \$ars - 1 year	16-Aug-24	-	50,000	45,000	-	5,000	4,389	4,438	38	0.03%	0.02%
GCF \$ars - 1 year	24-Jun-24	25	-	-	-	25	24	24	0	0.00%	0.00%
GCF \$ars - 1 year	04-Dec-23	25,000	-	-	25,000	25,035	25,195	160	0.14%	0.11%	
GCF \$ars - 1 year	28-Apr-24	30	75	90	-	15	14	14	0	0.00%	0.00%
GCF \$ars - 3 years	04-Dec-23	125,000	-	-	125,000	124,928	128,610	3,682	0.73%	0.58%	
GCF \$ars - 3 years	28-Jun-24	-	150,000	140,005	-	10,000	10,100	10,225	125	0.08%	0.04%
GCF \$ars - 3 years	18-Sep-24	-	125,000	120,000	-	5,000	5,000	5,079	79	0.03%	0.02%
GCF \$ars - 3 years	24-Jun-24	325,000	10	324,010	-	1,000	1,002	1,019	16	0.01%	0.00%
GCF \$ars - 5 years	24-Jun-20	90,000	-	-	90,000	89,840	90,488	628	0.51%	0.38%	
GCF \$ars - 5 years	04-Dec-23	100,000	-	-	100,000	100,151	104,450	4,299	0.59%	0.44%	
GCF \$ars - 5 years	29-May-20	110,000	-	-	110,000	109,801	110,814	1,013	0.63%	0.47%	
GCF \$ars - 5 years	24-Jun-24	1,100,000	15	1,099,015	-	1,000	1,001	1,023	22	0.01%	0.00%
GCF \$ars - 5 years	28-Jun-24	-	850,005	840,005	-	10,000	10,125	10,271	145	0.06%	0.04%
GCF \$ars - 5 years	29-Jul-20	50,000	-	-	50,000	49,985	50,890	705	0.29%	0.21%	
GCF \$ars - 5 years	18-Sep-24	-	125,000	120,000	-	5,000	5,000	5,103	103	0.03%	0.02%
GCF \$ars - 10 years	18-Sep-24	-	125,000	120,000	-	5,000	5,000	5,000	-	0.03%	0.02%
Total as at September 30, 2024					573,268	584,707	11,439				
Total as at June 30, 2024					2,732,615	2,735,792	3,177				

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

5.2 Listed debt securities - term finance certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates			Balance as at September 30, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2024	Purchased during the period	Disposed/ Matured during the period	As at September 30, 2024	Carrying value	Market value		
(Rupees in '000)								
Financial Services								
Saudi Pak Leasing Company Limited (March 13, 2010)	10,000	-	-	10,000	27,548	(27,548)	-	-
Household goods								
New Allied Electronics Industries (Private) Limited	10,400	-	-	10,400	21,983	(21,983)	-	-
New Allied Electronics Industries (Private) Limited	112,000	-	-	112,000	35,001	(35,001)	-	-
As at September 30, 2024 (Un-Audited)					84,532	(84,532)	-	
As at June 30, 2024 (Audited)					84,532	(84,532)	-	

5.2.1 Unlisted debt securities - term finance and sukuk certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates			Balance as at September 30, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2024	Purchased during the period	Disposed/ Matured during the period	As at September 30, 2024	Carrying value	Market value		
(Rupees in '000)								
Commercial banks								
Askari Bank Limited VII - TFC **	50	-	-	50	49,750	49,750	-	0.28%
Samba Bank limited - TFC 1 *	850	-	-	850	84,845	84,881	36	0.48%
Meezan Bank Limited Sukuk **	145	-	-	145	144,774	144,714	(60)	0.82%
Bank Al Habib Limited - TFC II	82,000	-	-	82,000	403,365	403,365	-	2.28%
The Bank of Punjab - TFC **	500	-	-	500	49,115	49,115	-	0.28%
					731,850	731,826	(24)	4.14%
Energy								
Pakistan Energy Sukuk II	100,000	-	-	100,000	500,600	503,500	2,900	2.85%
					500,600	503,500	2,900	2.85%
Household goods								
New Allied Electronics Industries (Private) Limited (May 15, 2007) (refer note 5.4.1)	10,400	-	-	10,400	21,983	(21,983)	-	-
Less: Provision for impairment								
New Allied Electronics Industries (Private) Limited Sukuk (July 25, 2007) (refer note 5.4.1)	112,000	-	-	112,000	35,001	(35,001)	-	-
Less: Provision for impairment								
As at September 30, 2023 (Un-Audited)					1,232,450	1,235,326	2,876	
As at June 30, 2024 (Audited)					1,230,054	1,232,547	2,493	

* Nominal value of this sukuk certificate is Rs.100,000 per certificate.

** Nominal value of this sukuk certificate is Rs.1,000,000 per certificate.

5.3 Details of non-compliant investments with the investment criteria as specified by the SECP

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at September 30, 2019, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by respective issuer in repayment of coupon due on respective

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
Listed debt securities						
Saudi Pak Leasing Company Limited		27,548	(27,548)	-	0.00%	0.00%
Unlisted debt securities						
New Allied Electronics Industries (Private) Limited		21,983	(21,983)	-	0.00%	0.00%
New Allied Electronics Industries (Private) Limited		35,001	(35,001)	-	0.00%	0.00%

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

5.3.1 Details of non-compliant investments with the investment criteria as specified by the SECP

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at September 30, 2019, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by respective issuer in repayment of coupon due on respective dates.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
Listed debt securities						
Saudi Pak Leasing Company Limited	TFC	27,548	(27,548)	-	0.00%	0.00%
Unlisted debt securities						
New Allied Electronics Industries (Private) Limited	TFC	21,983	(21,983)	-	0.00%	0.00%
New Allied Electronics Industries (Private) Limited	Sukuk	35,063	(35,063)	-	0.00%	0.00%

			(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		Note	----- (Rupees in '000) -----	
6	PAYABLE TO MCB INVESTMENT MANAGEMENT - LIMITED-MANAGEMENT COMPANY			
	Management remuneration payable	6.1	27,292	18,926
	Sales tax payable on remuneration of the management company	6.2	4,094	2,460
	Allocated expenses payable (including indirect taxes)	6.3	749	1,009
	Selling and marketing expense payable		-	11,432
	Sale load and back end load payable		19,239	14,050
			<u>51,374</u>	<u>47,877</u>

6.1 As per the amendment in the offering document, the management company with effect from August 30, 2024 can charge management fee at the rate up to 2% of Net Assets of the scheme, calculated on a daily basis. Previously, the fund has charged management fee at the rate up to 1.50% of Net Assets of the scheme, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

6.3 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. During the period, sales tax on allocated expenses has been charged at the rate of 15%.

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

			(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		Note	----- (Rupees in '000) -----	
	Annual SECP Fee payable	7.1	<u>1,066</u>	946

7.1 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). Accordingly, the fund has charged SECP fee at the rate of 0.075% of average Net Assets of the scheme, calculated on daily basis. The fee is paid to the commission on monthly basis in arrears.

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

8 ACCRUED AND OTHER LIABILITIES	Note	(Un-Audited)	(Audited)
		September 30, 2024	June 30, 2024
		----- (Rupees in '000) -----	
Federal Excise Duty on remuneration to the Management Company	8.1	99,060	99,060
Federal Excise Duty and related taxes payable on sales load		27,933	27,933
Auditors' remuneration		990	721
Withholding tax payable		33,376	17,580
Brokerage payable		1,930	461
Dividend payable		-	9
Others		877,305	720,842
		<u>1,040,595</u>	<u>866,606</u>

8.1 Federal Excise Duty and related tax payable

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 September 30, 2024 would have been higher by Rs. 0.83 per unit (June 30, 2024: Re. 0.85 per unit).

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

On December 01, 2021, DCF Income Fund (DCFIF) received a notice of tax demand for the Tax Year 2017 from the Additional Commissioner (Inland) Revenue (ACIR), whereby ACIR raised objections on claiming of "provision against debt securities" amounting to Rs. 7.943 million and adjustment of the "Element of loss and capital losses" amounting to Rs. 151.140 million while arriving at the declared accounting income of the Fund and has challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR raised a tax demand of Rs 138.821 million.

On March 31, 2022, a favorable Appellate Order was passed by Commissioner Appeals whereby it was directed that the benefit of Element of Loss should be allowed to the Company.

On June 14, 2022, FBR being aggrieved with said Order filed Appeal with Appellate Tribunal Inland Revenue. Management Company, in consultation with its advisor, anticipates a favorable outcome of the case.

9.2 Commitments

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

10 Cash And Cash Equivalents

	(Un-Audited)	(Audited)
	September 30, 2024	June 30, 2024
	----- (Rupees in '000) -----	
Balances with banks - savings accounts	5,853,004	2,073,415
3 Months Maturity T-Bills	245,063	965,285
	<u>6,098,068</u>	<u>3,038,700</u>

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

11 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 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 as reduced by capital gains (whether realised or unrealised) 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, 20 01.

12 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.

13 TOTAL EXPENSE RATIO

The annualized total Expense Ratio (TER) of the Fund for the period ended September 30, 2024 is 2.15% (September 30, 2023: 2.92%) and this includes 0.34% (September 30, 2023: 0.28%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

14 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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

14.1 Unit Holders' Fund

	For the quarter ended September 30, 2024 (Un-Audited)							
	As at July 01, 2024	Issuance	Redeemed	As at September 30, 2024	As at July 01, 2024	Issuance	Redeemed	As at September 30, 2024
	Units				(Rupees in '000)			
Group / associated companies								
MCB Employees' Provident Fund (Pak Staff)	2,483,910	-	-	2,483,910	288,289	-	-	288,289
MCB Employees' Pension Fund	2,483,910	-	-	2,483,910	270,958	-	-	288,289
Lalpir Staff Gratuity Fund Trust	43,067	-	-	43,067	4,698	-	-	4,998
KAPCO Staff Welfare Fund Trust	27,761	-	-	27,761	3,028	-	-	3,222
Key Management Personnel	2	-	-	2	0	-	-	0

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

15.2. Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation.

16. FAIR VALUE MEASUREMENTS

International Financial Reporting Standard 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:

Financial assets which are tradable in an open market are revalued at the 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.

Level 1: quoted prices (unadjusted) 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 asset or liability that are not based on observable market data (i.e. unobservable inputs).

17. DATE OF AUTHORISATION

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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