

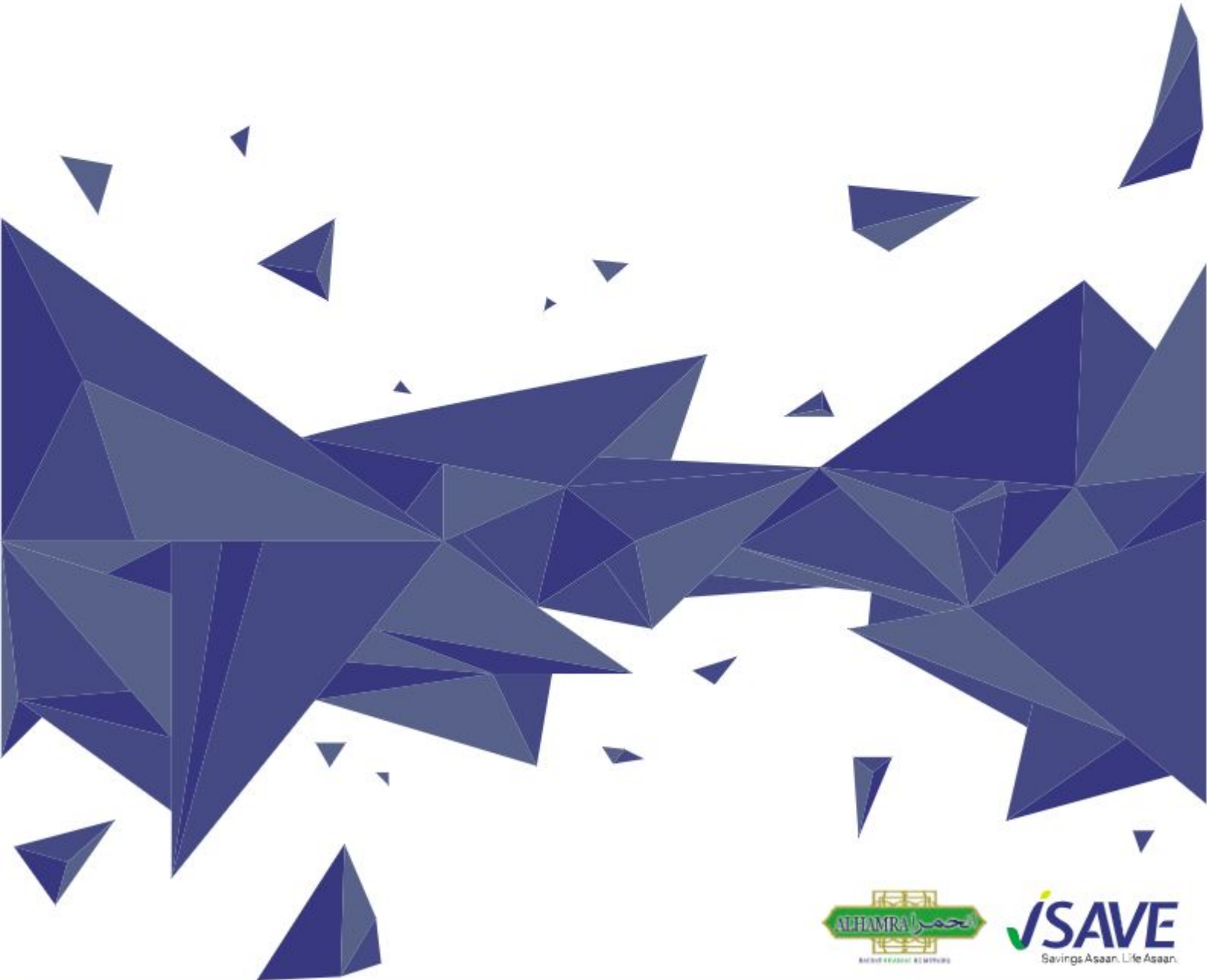


MCB FUNDS
Investments for Life

QUATERLY REPORT

SEPTEMBER
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN SOVEREIGN FUND

TABLE OF CONTENTS

1	Fund's Information	55
2	Report of the Directors of the Management Company	56
3	Condensed Interim Statement of Assets And Liabilities	63
4	Condensed Interim Income Statement (Un-audited)	64
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	65
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	66
7	Condensed Interim Cash Flow Statement (Un-audited)	67
8	Notes to and forming part of the Condensed Interim Financial Statements	68

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 Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited	Habib Metropolitan Bank Limited United Bank Limited Zarai Taraqati Bank Limited Js Bank Limited National Bank Of Pakistan
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
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 Pakistan Sovereign 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 31.81% as against its benchmark return of 18.57%. At period-end, the fund increased its exposure in cash to 12.4% from 11.5%.

The Net Assets of the Fund as at September 30, 2024 stood at Rs. 35,337 million as compared to Rs. 11,082 million as at June 30, 2024 registering an increase of 218.9%.

The Net Asset Value (NAV) per unit as at September 30, 2024 was Rs. 58.3300 as compared to opening NAV of Rs. 54.0600 per unit as at June 30, 2024 registering an increase of Rs. 4.27 per unit.

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

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, 2023

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.

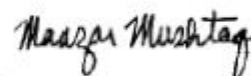
ACKNOWLEDGMENT

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

سیگمنٹ شیئر کے لحاظ سے، منی مارکیٹ فنڈز تقریباً 44.7 فیصد کے شیئر کے ساتھ سرفہرست تھے، اس کے بعد انکم اور فکسڈ 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 انشرومنٹ 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،

Masrfa Mushatq

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

21 اکتوبر، 2024



منظر مشتاق

ڈائریکٹر

21 اکتوبر، 2024

ڈائریکٹر ز رپورٹ

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

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 18.57 فیصد کے بیٹج مارک ریٹرن کے مقابلے میں 31.81 فیصد کار ریٹرن دیا۔ مدت کے اختتام پر، فنڈ کی کیش میں سرمایہ کاری 11.5 فیصد سے بڑھا کے 12.4 فیصد کر دی گئی۔

30 جون 2024 تک فنڈ کے خالص اثاثے 11,082 ملین روپے تھے جب کہ 30 ستمبر 2024 کو یہ 35,337 ملین روپے رہے جو 218.9 فیصد کے اضافے کو ظاہر کرتے ہیں۔

30 جون 2024 اوپننگ نیٹ اثاثہ (NAV) کی قیمت فی یونٹ 54.0600 روپے تھی جب کہ 30 ستمبر 2024 کو یہ فی یونٹ 58.3300 روپے رہی جو 4.27 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 غیر یقینی ہے کیونکہ ہم چینلنگ 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

ڈائریکٹرز رپورٹ

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے، ایم سی بی پاکستان سوورین 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 ملین کا کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جس میں گزشتہ سال کی اسی مدت میں 893 USD ملین 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۔ اس تیز سے گراؤ کی وجہ گزشتہ نو مہینوں کے دوران کرنسی کے استحکام، عالمی رجحانات کے مطابق خوراک کی قیمتوں میں خاطر خواہ کمی، اور تیل کی بین الاقوامی قیمتوں میں کمی، جس سے ایندھن کی مقامی قیمتوں میں نرمی آئی ہے۔ مزید برآں، بنیاد 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**

	(Un-Audited) September 30, 2024	(Audited) June 30, 2024
Note	----- (Rupees in '000) -----	
ASSETS		
Bank balances	5,423,067	1,653,319
Investments	37,709,788	10,768,089
Profit receivable	524,053	430,506
Receivable against sale of investments	-	1,541,304
Advances, prepayments and other receivables	49,519	5,871
Total assets	43,706,427	14,399,089
LIABILITIES		
Payable to MCB Investments Management Limited - Management Company	45,716	18,924
Payable to Central Depository Company of Pakistan Limited - Trustee	1,320	516
Payable to the Securities and Exchange Commission of Pakistan	1,565	623
Payable against purchase of investments	8,232,254	3,225,183
Accrued expenses and other liabilities	88,750	72,114
Total liabilities	8,369,605	3,317,360
NET ASSETS	35,336,822	11,081,729
Unit holders' fund (as per statement attached)	35,336,822	11,081,729
Contingencies and commitments	10	
	----- (Number of units) -----	
Number of units in issue	605,787,451	204,996,026
	----- (Rupees) -----	
NET ASSETS VALUE PER UNIT	58.33	54.06

The annexed notes from 1 to 18 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**

	Quarter ended September 30,	
	2024	2023
Note	(Rupees in '000)	
Income		
Income from government securities	706,962	104,152
Capital gain (loss) on sale of investments - net	260,683	(20,540)
Profit on bank deposits	67,290	22,321
Unrealised appreciation diminution in fair value of investments classified 'at fair value through profit or loss' - net	657,943	(1,357)
Total income	1,692,878	104,576
Expenses		
Remuneration of the Management Company	68,794	2,787
Sindh Sales Tax on remuneration of the Management Company	10,319	361
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	2,450	310
Sindh Sales Tax on remuneration of Trustee	368	40
Securities and Exchange Commission of Pakistan - annual fee	3,341	422
Allocated expenses (including indirect taxes)	1,398	1,177
Marketing and Selling expenses	-	5,049
Auditors' remuneration	258	171
Brokerage, printing and bank charges	3,088	545
Other Charges	267	220
Total expenses	90,283	11,082
Net income for the period before taxation	1,602,595	93,494
Taxation	11 -	-
Net income for the period	1,602,595	93,494
Allocation of net income for the period:		
Net income for the period	1,602,595	93,494
Income already paid on units redeemed	(49,058)	(14,887)
	1,553,537	78,607
Accounting income available for distribution:		
- Relating to capital gains	901,749	-
- Excluding capital gains	651,789	78,607
	1,553,537	78,607
Earning / (Loss) per unit	12	

The annexed notes from 1 to 18 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**

	Quarter ended September 30,	
	2024	2023
	----- (Rupees in '000) -----	
Net income for the period after taxation	1,602,595	93,494
Other comprehensive Income for the period:	-	-
Total comprehensive income for the period	1,602,595	93,494

The annexed notes from 1 to 18 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 UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended September 30,					
	2024			2023		
	(Rupees in '000)					
Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income / (loss)	Total	
Net assets at beginning of the period	11,746,432	(664,703)	11,081,729	1,375,200	(701,580)	673,620
Issue of 457,938,383 units (2023:68,112,851 units)						
- Capital value (at net asset value per unit at the beginning of the period)	24,756,154	-	24,756,154	3,665,834	-	3,665,834
- Element of income	1,069,815	-	1,069,815	73,313	-	73,313
Total proceeds on issuance of units	25,825,969	-	25,825,969	3,739,147	-	3,739,147
Redemption of 57,146,958 units (2023: 23,288,056 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(3,089,360)	-	(3,089,360)	(1,253,363)	-	(1,253,363)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(22,744)	(49,058)	(71,802)	(18,281)	(14,887)	(33,168)
Final Distribution during the period @ 0.06	-	(12,309)	(12,309)	-	-	-
Total payments on redemption of units	(3,112,104)	(61,367)	(3,173,471)	(1,271,644)	(14,887)	(1,286,531)
Total comprehensive income for the period	-	1,602,595	1,602,595	-	93,494	93,494
Net income for the period less distribution	-	1,602,595	1,602,595	-	93,494	93,494
Net assets at end of the period	34,460,297	876,525	35,336,822	3,842,703	(622,973)	3,219,730
Undistributed loss brought forward						
- Realised		(697,867)			(688,112)	
- Unrealised		33,164			(13,468)	
		(664,703)			(701,580)	
Accounting income available for distribution						
- Relating to capital gains		901,749			-	
- Excluding capital gains		651,789			78,607	
		1,553,537			78,607	
Distribution made during the period		(12,309)				
Undistributed loss carried forward		876,525			(622,973)	
Undistributed loss carried forward						
- Realised		218,582			(621,616)	
- Unrealised		657,943			(1,357)	
		876,525			(622,973)	
Net assets value per unit at beginning of the period	54.06			53.82		
Net assets value per unit at end of the period	58.33			56.15		

The annexed notes from 1 to 18 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 CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended September 30,	
	2024	2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,602,595	93,494
Adjustments for:		
Unrealised diminution in fair value of investments classified 'at fair value through profit or loss' - net	(657,943)	1,357
	<u>944,652</u>	<u>94,851</u>
Decrease /(Increase) in assets		
Investments	(27,233,305)	(145,135)
Profit receivables	(93,547)	8,272
Receivable against sale of investments	1,541,304	-
Advances, deposits, prepayments	(43,648)	(7,556)
	<u>(25,829,196)</u>	<u>(144,418)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	26,792	6,288
Payable to Central Depository Company of Pakistan Limited - Trustee	804	124
Payable to the Securities and Exchange Commission of Pakistan	942	59
Payable against purchase of investments	5,007,071	-
Accrued expenses and other liabilities	16,636	(14,867)
	<u>5,052,245</u>	<u>(8,396)</u>
Net cash used in operating activities	(19,832,300)	(57,963)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	25,825,970	3,739,147
Payments on redemption of units	(3,173,471)	(1,286,531)
Net cash generated from financing activities	22,652,498	2,452,616
Net increase /(decrease) in cash and cash equivalents during the period	2,820,199	2,394,652
Cash and cash equivalents at beginning of the period	2,847,931	192,195
Cash and cash equivalents at end of the period	14 5,668,130	2,586,847

The annexed notes from 1 to 18 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 Pakistan Sovereign Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (Now : MCB Investment Management Limited) as Management Company and Habib Metropolitan Bank Limited as Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investment Limited, the name of the Management Company has been changed from Arif Habib Investments Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. During the year ended June 30, 2010, Habib Metropolitan Bank Limited retired as the Trustee of the Scheme and Central Depository Company of Pakistan Limited (CDC) was appointed as the new Trustee with effect from November 23, 2009. The Trust Deed was executed on December 24, 2002 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 07, 2003 in accordance with the Asset Management Companies Rules, 1995, [repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). Due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" the Fund is required to be registered under the said 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 certificate of registration issued by SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Board of Directors have approved that the Fund should be categorised as 'Income Scheme' as per the categories defined by the Securities and Exchange Commission of Pakistan Circular 7 of 2009 dated March 06, 2009. The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 MCB Pakistan Sovereign Fund has a policy of investing in Pakistan rupee denominated debt securities issued by the Government of Pakistan, reverse repurchase transaction in government securities and any otherwise un-invested funds in deposits with banks and financial institutions. In addition, the Fund can also invest in sub-scheme of the Fund.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 04, 2024 to the Management Company and stability rating of 'AA-(f)' dated September 06, 2024 to the Fund.
- 1.6 The title to the assets of the Fund are 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

- 2.1.1 This 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 applicable in Pakistan for interim financial reporting comprise 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

- 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.

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

- 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 state of affairs 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. 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, 2024. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

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.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2023.

			(Un-Audited) September 30, 2024	(Audited) June 30, 2024
	Note		----- (Rupees in '000) -----	
5. BANK BALANCES				
In savings accounts	5.1	5,422,505	1,653,304	
In current accounts	5.2	562	15	
		5,423,067	1,653,319	

- 5.1** These carry profit at the rates ranging 16% to 19% (June 2024: 19% to 21.85%) per annum. It includes bank balance of Rs.14.76 million (June 2024: Rs 5.32 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 16% (June 2023: 20.5%) per annum.

- 5.2** These include Rs. 0.56 million (June 30, 2024: Rs 0.01 million) maintained with MCB Bank Limited, a connected person / related party.

			September 30, 2024	June 30, 2024
	Note		----- (Rupees in '000) -----	
6. INVESTMENTS				
Financial assets 'at fair value through profit or loss'				
Government Securities				
Pakistan investment bonds	6.1.1	10,296,750	2,503,802	
Pakistan investment bonds - Floating Rate Bond (FRB)	6.1.2	5,371,619	1,924,997	
Market treasury bills	6.1.3	20,572,189	2,498,037	
Gop Ijarah Sukuk	6.1.4	1,469,230	3,841,253	
		37,709,788	10,768,089	

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

6.1 At fair value through profit or loss

6.1.1 Government securities - Pakistan Investment Bonds

Name of security	Date of issue	Date of Maturity	Face value			As at September 30, 2024			Market value		
			As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised loss	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)											
Pakistan Investment Bonds - 02 years	20-Sep-24	20-Sep-26	-	1,458,000	-	1,458,000	1,118,154	1,151,601	33,447	3.26	3.05
Pakistan Investment Bonds - 03 years	04-Jul-23	04-Jul-26	1,250,000	3,325,000	1,742,000	2,833,000	2,650,719	2,793,695	142,976	-	-
Pakistan Investment Bonds - 03 years	15-Feb-24	15-Feb-27	742,000	500,000	992,000	250,000	246,059	257,483	11,424	-	-
Pakistan Investment Bonds - 03 years	20-Sep-24	20-Sep-27	-	1,958,000	-	1,958,000	2,004,097	2,038,057	33,960	0.06	0.07
Pakistan Investment Bonds - 05 years	17-Jan-24	17-Jan-29	600,000	3,192,000	1,125,000	2,667,000	2,607,247	2,822,971	215,724	0.08	0.09
Pakistan Investment Bonds - 05 years	13-Oct-22	13-Oct-27	100,000	900,000	100,000	900,000	809,244	859,895	50,651	-	-
Pakistan Investment Bonds - 05 years	20-Sep-24	20-Sep-29	-	850,000	500,000	350,000	364,431	373,048	8,617	0.01	0.01
Total as at September 30, 2024 (un-audited)							9,799,951	10,296,790	496,799		
Total as at June 30, 2024 (audited)							2,511,078	2,503,802	(7,276)		

6.1.2 Government securities - Pakistan Investment Bonds FRB

Name of security	Date of issue	Date of Maturity	Face value			As at September 30, 2024			Market value		
			As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised loss	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)											
Pakistan Investment Bonds - 05 years	05-Sep-24	05-Sep-29	-	1,308,000	-	1,308,000	1,258,664	1,275,300	6,636	3.61	3.38
Pakistan Investment Bonds - 05 years	21-Sep-23	21-Sep-28	-	1,500,000	500,000	1,000,000	973,283	978,800	5,517	2.77	2.60
Pakistan Investment Bonds - 05 years	18-Apr-24	18-Apr-29	1,800,000	1,300,000	3,100,000	-	-	-	-	-	-
Pakistan Investment Bonds - 05 years	27-Jun-24	27-Jun-29	-	13,125,000	10,125,000	3,000,000	2,911,487	2,930,400	18,913	8.29	7.77
Pakistan Investment Bonds - 10 years	25-Jul-19	25-Jul-29	100,000	-	-	100,000	98,328	98,460	132	0.28	0.26
Pakistan Investment Bonds - 10 years	22-Aug-19	22-Aug-29	90,000	-	-	90,000	88,399	88,659	260	0.25	0.24
Total as at September 30, 2024 (un-audited)							5,340,161	5,371,619	31,458		
Total as at June 30, 2024 (audited)							1,916,491	1,904,997	8,506		

6.1.3 Government securities - Treasury Bills

Name of security	Date of issue	Date of Maturity	Face value			As at September 30, 2024			Market value		
			As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised gain / (loss)	As a percentage of net assets	As a percentage of total investments
(Rupees in '000)											
Market Treasury bills - 3 months	22-Aug-24	14-Nov-24	-	250,000	-	250,000	244,928	245,063	135	0.01	0.01
Market Treasury bills - 3 months	11-Jul-24	03-Oct-24	-	250,000	250,000	-	-	-	-	-	-
Market Treasury bills - 3 months	30-May-24	22-Aug-24	-	1,000,000	1,000,000	-	-	-	-	-	-
Market Treasury bills - 3 months	08-Aug-24	31-Oct-24	-	350,000	350,000	-	-	-	-	-	-
Market Treasury bills - 6 months	05-Sep-24	06-Mar-25	-	3,500,000	2,500,000	1,000,000	941,530	940,251	(1,279)	0.03	0.03
Market Treasury bills - 6 months	04-Apr-24	03-Oct-24	-	6,000,000	6,000,000	-	-	-	-	-	-
Market Treasury bills - 6 months	08-Aug-24	05-Feb-25	-	350,000	350,000	-	-	-	-	-	-
Market Treasury bills - 6 months	11-Jul-24	09-Jan-25	-	250,000	250,000	-	-	-	-	-	-
Market Treasury bills - 6 months	22-Aug-24	20-Feb-25	-	3,150,000	1,150,000	2,000,000	1,892,755	1,889,716	(3,039)	0.05	0.06
Market Treasury bills - 6 months	25-Jul-24	23-Jan-25	-	250,000	250,000	-	-	-	-	-	-
Market Treasury bills - 12 Months	11-Jul-24	10-Jul-25	-	4,800,000	3,650,000	1,150,000	1,578,558	1,578,565	7	0.04	0.05
Market Treasury bills - 12 Months	19-Oct-23	17-Oct-24	3,900	11,600,000	8,400,000	3,203,900	3,181,149	3,181,125	(24)	0.09	0.10
Market Treasury bills - 12 Months	14-Dec-23	12-Dec-24	-	2,500,000	-	2,500,000	2,424,084	2,424,010	(74)	0.07	0.08
Market Treasury bills - 12 Months	18-Apr-24	17-Apr-25	-	1,000,000	1,000,000	-	-	-	-	-	-
Market Treasury bills - 12 Months	16-May-24	15-May-25	500,000	650,000	650,000	500,000	449,342	459,110	9,768	0.01	0.01
Market Treasury bills - 12 Months	30-May-24	29-May-25	-	300,000	300,000	-	-	-	-	-	-
Market Treasury bills - 12 Months	21-Aug-24	21-Aug-25	-	4,670,000	3,275,000	1,395,000	1,243,369	1,243,110	(259)	0.04	0.04
Market Treasury bills - 12 Months	25-Jan-24	23-Jan-25	600	1,000,000	1,000,000	600	567	573	6	0.00	0.00
Market Treasury bills - 12 Months	02-May-24	02-May-25	1,000,000	3,650,000	3,250,000	1,400,000	1,291,518	1,291,080	(438)	-	-
Market Treasury bills - 12 Months	30-Nov-23	28-Nov-24	10,000	500,000	510,000	-	-	-	-	-	-
Market Treasury bills - 12 Months	05-Sep-24	04-Sep-25	-	13,240,000	5,500,000	7,740,000	6,808,536	6,870,434	61,898	0.19	0.22
Market Treasury bills - 12 Months	13-Jul-23	11-Jul-24	1,200,000	-	1,200,000	-	-	-	-	-	-
Market Treasury bills - 12 Months	25-Jul-24	24-Jul-25	-	2,750,000	2,250,000	500,000	440,132	449,152	9,020	0.01	0.01
Market Treasury bills - 12 Months	08-Aug-24	07-Aug-25	-	850,000	850,000	-	-	-	-	-	-
Market Treasury bills - 12 Months	11-Jan-24	09-Jan-25	-	35,000	35,000	-	-	-	-	-	-
Total as at September 30, 2024 (un-audited)							20,496,468	20,572,189	75,721		
Total as at June 30, 2024 (audited)							2,498,606	2,498,037	(569)		

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

6.1.4 GoP Ijarah Sukuk Bonds - at fair value through profit or loss

Name of security	Issue date	Face value			Balance as at September 30, 2024		Market value as a % of net asset of the sub fund
		As at July 01, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	
GOP Ijara (1 Year)	07-Aug-23	65,000	-	-	-	-	-
GOP Ijara (1 Year)	20-Sep-23	225,000	-	225,000	-	-	-
GOP Ijara (1 Year)	04-Dec-23	150,000	-	-	150,000	151,170	961
GOP Ijara (1 Year)	15-Mar-24	25,000	-	-	-	-	-
GOP Ijara (1 Year)	28-Jul-24	-	25,000	-	25,000	22,359	348
GOP Ijara (1 Year)	16-Aug-24	-	50,000	-	-	-	-
GOP Ijara (1 Year)	18-Sep-24	-	250,000	250,000	-	-	-
GOP Ijara (3 Year)	26-Jun-23	600,000	-	-	600,000	618,388	29,492
GOP Ijara (3 Year)	04-Dec-23	425,000	-	-	375,000	374,850	11,848
GOP Ijara (3 Year)	24-Jan-24	325,000	-	325,000	-	-	-
GOP Ijara (3 Year)	28-Jun-24	-	150,000	-	-	-	-
GOP Ijara (3 Year)	28-Jun-24	-	150,000	-	-	-	-
GOP Ijara (3 Year)	18-Sep-24	-	125,000	125,000	-	-	-
GOP Ijara (3 Year)	18-Sep-24	-	125,000	125,000	-	-	-
GOP Ijara (5 Year)	04-Dec-23	650,000	-	400,000	250,000	250,377	10,748
GOP Ijara (5 Year)	24-Jan-24	1,350,000	-	1,350,000	-	-	-
GOP Ijara (5 Year)	28-Jun-24	-	150,000	-	-	-	-
GOP Ijara (5 Year)	28-Jun-24	-	150,000	-	-	-	-
GOP Ijara (5 Year)	18-Sep-24	-	125,000	125,000	-	-	-
GOP Ijara (5 Year)	18-Sep-24	-	125,000	125,000	-	-	-
GOP Ijara (10 Year)	18-Sep-24	-	625,000	625,000	-	-	-
GOP Ijara (10 Year)	18-Sep-24	-	625,000	625,000	-	-	-

Total as at September 30, 2024 (Un-Audited)

1,415,834 1,469,230 53,396

Total as at June 30, 2024 (Audited)

3,508,750 3,841,254 32,504

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

7 PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED – MANAGEMENT COMPANY

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		— (Rupees in '000) —	
Management remuneration payable	7.1	36,995	9,137
Sindh Sales Tax on management remuneration payable	7.2	5,549	1,188
Payable against allocated expenses (including indirect taxes)	7.3	1,398	664
Payable against marketing and selling expenses		-	7,215
Sale load payable		1,774	720
		<u>45,716</u>	<u>18,924</u>

7.1 As per the amendment in the offering document, the management company with effect from September 01, 2024 has charged 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 10% of daily gross earnings of the scheme, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

7.3 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%.

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

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		— (Rupees in '000) —	
SECP fee payable		1,565	623
		<u>1,565</u>	<u>623</u>

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.

9 ACCRUED AND OTHER LIABILITIES

		(Un-Audited) September 30, 2024	(Audited) June 30, 2024
		— (Rupees in '000) —	
Provision for Federal Excise Duty and related tax on			
- Management fee	9.1	29,028	29,028
- Sales load		4,170	4,170
Withholding tax payable		1,988	289
Auditors' remuneration payable		1,019	37,619
Brokerage payable		2,341	760
Others		50,204	249
		<u>88,750</u>	<u>72,114</u>

9.1 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, 2024. 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 Re. 0.06 per unit (June 30, 2024: Re. 0.16 per unit).

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

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2024 and June 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, 2001.

12. EARNING / (LOSS) PER UNIT

Earnings/(Loss) per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company, the determination of the same is not practicable.

13. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 2.03% (September 30, 2023: 1.94%) and this includes 0.33% (September 30, 2023: 0.12%) representing government levy, SECP fee etc.

14. CASH AND CASH EQUIVALENTS

	(Un-Audited) September 30, 2024	(Un-Audited) September 30, 2023
	———— (Rupees in '000) ————	
Bank balances	5,423,067	657,049
Government securities - Treasury bill 3Months	245,063	1,929,798
	<u>5,668,130</u>	<u>2,586,847</u>

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

15. TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

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

	For the quarter ended September 30, 2024							
	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024	As at July 01, 2024	Issued for cash	Redeemed	As at September 30, 2024
	----- Units ----- (Rupees in '000) -----							
McB Investment Management Limited	6,555,797	9,713,624	8,242,714	8,036,707	354,946.97	541,290	487,000	468,781
McB Employees Provident Fund (Pak Staff)	16,098,713	17,887	-	16,116,600	870,296	966	-	940,081
Adamjee Insurance Co. Ltd.	-	1,338,808	-	1,338,808	-	75,000	-	78,093
D.G. Khan Cement Company Ltd	9	-	-	9	0.51	-	-	1
Adamjee Life Assurance Company Limited-Employees Gratuity Fund	421,385	8,239,778	421,736	8,239,427	22,780.09	463,455	22,888	480,606
Adamjee Life Assurance Company Limited - Daf	113,194	94	-	113,288	6,119.27	5	-	6,608
Key management personnel	293,842	6,079,278	919,850	5,453,270	15,885	336,612	51,998	318,089
Mandate Under Discretionary Portfolio Services	4,149,701	6,502,430	8,180,457	2,471,674	224,333	356,935	448,130	144,173

* This reflects the position of related party / connected persons status as at September 30, 2024.

	For the quarter ended September 30, 2023							
	As at July 01, 2023	Issued for cash	Redeemed	As at September 30, 2023	As at July 01, 2023	Issued for cash	Redeemed	As at September 30, 2023
	----- Units ----- (Rupees in '000) -----							
MCB INVESTMENTS MANAGEMENT LIMITED	-	2,743,233	2,743,233	(0)	-	150,000	150,329	(0)
D.G Khan Cement Company Limited	8	-	-	8	0	-	-	0
Adamjee Life Assurance Company Limited-Employees Gratuity Fund	-	913,910	913,910	0	-	50,000	50,393	0
Key management personnel	0	331,304	331,266	8	0	18,106	18,177	0
Mandate Under Discretionary Portfolio Services	0	3,643,389	1,816,519	1,826,870	0	199,220	100,290	103,730
Unit holders holding 10% or more	-	42,325,352	7,642,041	34,683,311	-	2,327,459	425,524	1,947,488

* This reflects the position of related party / connected persons status as at September 30, 2023.

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

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

	(Unaudited) September 30, 2024 — (Rupees in '000) —	(Unaudited) September 30, 2023 — (Rupees in '000) —
MCB Investment Management Limited - Management Company		
Remuneration of the Management Company including indirect taxes	79,113	3,148
Expenses allocated by the Management Company and related taxes	1,398	1,177
Marketing And Selling expenses	-	5,049
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	2,818	350
MCB Bank Limited		
Mark-up on bank deposits	194	36
Bank charges	7	3

15.3 Balances outstanding at period / year end:

	(Unaudited) September 30, 2024 — (Rupees in '000) —	(Audited) June 30, 2024 — (Rupees in '000) —
MCB Investment Management Limited - Management Company		
Remuneration payable to Management Company	36,995	9,137
Sales tax payable on remuneration to Management Company	5,549	1,188
Payable against allocated expenses (including indirect taxes)	1,216	664
Payable against marketing and selling expenses	182	7,215
Sales load payable	1,774	720
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including indirect taxes)	1,148	457
Sales tax on remuneration payable	172	59
MCB Bank Limited		
Bank balance	15,322	5,324

16 FAIR VALUE MEASUREMENTS

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 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.

Fair value hierarchy

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:

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).

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

17 GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

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

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

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

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

URL: www.mcbfunds.com, Email: info@mcbfunds.com