



MCB FUNDS  
Investments for Life

# QUATERLY REPORT

SEPTEMBER  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **PAKISTAN INCOME FUND**

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## FUND'S INFORMATION

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

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan 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 26.67% as against its benchmark return of 18.90%.

At period end, the fund was invested 54.2% in T-Bills, 24.2% in PIBs and 15.2% in TFC/Sukuks. The weighted average maturity of the fund stood at 2.4 years at September 30, 2024.

The Net Assets of the Fund as at September 30, 2024, stood at Rs. 2,103million as compared to Rs. 1,899 million as at June 30, 2024 registering an increase of 10.74%.

The Net Asset Value (NAV) per unit as at September 30, 2024 was Rs. 58.6386 as compared to the opening NAV of Rs. 54.9452 per unit as at June 30, 2024 registering an increase of Rs. 3.6934 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

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

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.

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

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

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

**ACKNOWLEDGMENT**

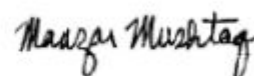
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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



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**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 فیکسڈ 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 کار ان 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، سکیورٹیز 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،

*Masrur 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 0.6 USD 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 بیٹج مارک ریٹرن کے مقابلے میں 26.67 فیصد کا ریٹرن دیا۔

مدت کے اختتام پر، فنڈ کی سرمایہ کاری ٹی بلز میں 54.2 فیصد، پی آئی بیس میں 24.2 فیصد اور ٹی ایف سی/سکوک میں 15.2 فیصد کی گئی۔ 30 ستمبر 2024 کو فنڈ کی وزنی اوسط میچورٹی 2.4 سال تھی۔

30 جون 2024 تک فنڈ کے خالص اثاثے 1,899 بلین روپے تھے جب کہ 30 ستمبر 2024 کو یہ 2,103 بلین روپے رہے جو 10.74 فیصد کے اضافے کو ظاہر کرتے ہیں۔

30 جون 2024 اوپننگ نیٹ اثاثہ (NAV) کی قیمت فی یونٹ 54.9452 روپے تھی جب کہ 30 ستمبر 2024 کو یہ فی یونٹ 58.6386 روپے رہی جو 3.6934 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 12.7 بلین ہو جائیں گے۔ تاہم، ہماری بیرونی پوزیشن اب بھی

## ڈائریکٹرز رپورٹ

پیارے سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے پاکستان 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۔ اس تیزی سے گراؤ کی وجہ گزشتہ نو مہینوں کے دوران کرنسی کے استحکام، عالمی رجحانات کے مطابق خوراک کی قیمتوں میں خاطر خواہ کمی، اور تیل کی بین الاقوامی قیمتوں میں کمی، جس سے ایندھن کی مقامی قیمتوں میں نرمی آئی ہے۔ مزید برآں، بنیادی اثر نے افراط زر کے کم اعداد و شمار میں مزید حصہ ڈالا۔

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) -----	
<b>ASSETS</b>		
Bank balances	69,196	136,409
Investments	2,540,639	2,160,323
Profit receivable	37,817	88,881
Advances, deposits, prepayments and other receivables	16,941	15,124
Receivable against sale of investments	-	201,739
<b>Total Assets</b>	<b>2,664,594</b>	<b>2,602,476</b>
<b>LIABILITIES</b>		
Payable to the Management Company	3,285	3,584
Payable to Central Depository Company of Pakistan Limited - Trustee	149	140
Payable to the Securities and Exchange Commission of Pakistan	130	124
Payable against redemption of units	47	47
Accrued expenses and other liabilities	11,871	51,490
Payable against Purchase of investments	546,095	647,761
<b>Total liabilities</b>	<b>561,577</b>	<b>703,146</b>
<b>NET ASSETS</b>	<b>2,103,017</b>	<b>1,899,330</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>2,103,017</b>	<b>1,899,330</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>35,864,055</b>	<b>34,567,718</b>
	----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	<b>58.6386</b>	<b>54.9452</b>

The annexed notes 1 to 17 form an integral part of these 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**

	Note	September 30, 2024	September 30, 2023
----- (Rupees in '000) -----			
<b>INCOME</b>			
Markup / return on Investments		84,890	132,527
Gain / (loss) on sale of investments - net		28,812	(12,844)
Markup on deposits with banks		11,842	24,918
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net		18,143	1,372
Other income		1,730	1,774
<b>Total income</b>		<b>145,417</b>	<b>147,746</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		7,155	3,532
Sindh sales tax on remuneration of the Management Company		1,073	459
Allocated expenses (including indirect taxes)		90	1,551
Marketing and selling expenses		-	7,166
Remuneration of Central Depository Company of Pakistan Limited - Trustee		390	513
Sindh sales tax on remuneration of Trustee		58	67
Annual fee of Securities and Exchange Commission of Pakistan		390	513
Brokerage expense		396	86
Legal, professional and other charges		87	79
Settlement and bank charges		484	310
Fees and subscription		148	135
Auditors' remuneration		274	189
Printing and related costs		25	25
<b>Total operating expenses</b>		<b>10,568</b>	<b>14,625</b>
<b>Net income for the period before taxation</b>		<b>134,849</b>	<b>133,121</b>
Taxation	11	-	-
<b>Net income for the period after taxation</b>		<b>134,849</b>	<b>133,121</b>
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		134,849	133,121
Income already paid on units redeemed		(7,233)	(10,563)
		<b>127,616</b>	<b>122,558</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		45,162	-
Excluding capital gains		82,454	122,558
		<b>127,616</b>	<b>122,558</b>
Earning/ (Loss) per unit	12		

The annexed notes 1 to 17 form an integral part of these 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**

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	September 30, 2024 ----- (Rupees in '000) -----	September 30, 2023 ----- (Rupees in '000) -----
<b>Net income for the period after taxation</b>	134,849	133,121
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>134,849</u>	<u>133,121</u>

The annexed notes 1 to 17 form an integral part of these 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**

	For the period ended September 30,					
	2024			2023		
	(Rupees in '000)					
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net assets at beginning of the period	1,759,062	140,268	1,899,330	2,593,728	130,117	2,723,845
Issue of 9,503,350 units (2023: 22,890,862 units)						
- Capital value (at net asset value per unit at the beginning of the period)	522,163	-	522,162	1,250,854	-	1,250,854
- Element of income	11,106	-	11,106	49,496	-	49,496
	533,269	-	533,268	1,300,350	-	1,300,350
Redemption of 8,207,013 units (2023: 27,467,203 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(450,936)	-	(450,936)	(1,500,925)	-	(1,500,925)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(6,261)	(7,233)	(13,494)	(47,936)	(10,563)	(58,499)
	(457,197)	(7,233)	(464,430)	(1,548,861)	(10,563)	(1,559,424)
Total comprehensive income for the period	-	134,849	134,849	-	133,121	133,121
	-	134,849	134,849	-	133,121	133,121
Net assets at end of the period	1,835,135	267,884	2,103,017	2,345,217	252,675	2,597,893
Undistributed income brought forward						
- Realised		137,638			153,352	
- Unrealised		2,630			(23,235)	
		140,268			130,117	
Accounting income available for distribution						
- Relating to capital gains		45,162			-	
- Excluding capital gains		82,454			122,558	
		127,616			122,558	
Undistributed income carried forward		267,884			252,675	
Undistributed income carried forward						
- Realised		249,741			251,303	
- Unrealised		18,143			1,372	
		267,884			252,675	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		54.9452			54.6443	
Net assets value per unit at end of the period		58.6386			57.3860	

The annexed notes 1 to 17 form an integral part of these 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**

	September, 2024 ---- (Rupees in '000) ----	September 30, 2023 ---- (Rupees in '000) ----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	134,849	133,121
<b>Adjustments for:</b>		
Unrealised (appreciation) / diminution on re-measurement of investments at fair value through profit or loss - net	(18,143)	(1,372)
	<u>116,706</u>	<u>131,749</u>
<b>(Increase) / Decrease in assets</b>		
Investments	(660,826)	1,053,814
Profit receivable	51,064	16,495
Advances, deposits, prepayments and other receivables	(1,817)	(97)
Receivable against sale of investments	201,739	-
	<u>(409,841)</u>	<u>1,070,212</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(299)	106
Payable to Central Depository Company of Pakistan Limited - Trustee	9	(12)
Payable to the Securities and Exchange Commission of Pakistan	6	(487)
Payable against purchase of investment	(101,666)	-
Accrued expenses and other liabilities	(39,619)	(3,272)
	<u>(141,569)</u>	<u>(3,664)</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(434,704)</u>	<u>1,198,296</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	533,268	1,300,350
Amount paid against redemption of units	(464,430)	(1,559,424)
<b>Net cash generated / (used in) financing activities</b>	<u>68,838</u>	<u>(259,074)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(365,866)</u>	<u>939,222</u>
Cash and cash equivalents at the beginning of the period	435,062	1,042,937
<b>Cash and cash equivalents at the end of the period</b>	<u>69,196</u>	<u>1,982,159</u>

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

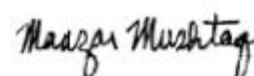
For MCB Investment Management Limited  
(Management Company)



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

Pakistan Income Fund (the Fund) was established under a Trust Deed executed between MCB - Arif Habib Savings and Investments Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) 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.

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.

The Fund is an open-end collective investment scheme categorised as an "Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs. 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund primarily invests in money market and other short-term placements / instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of "AM1" dated October 04, 2024, to the Management Company and the stability rating of AA-(f) to the Fund dated August 30, 2024.

The 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

#### STATEMENT OF COMPLIANCE

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 VIIIA 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 VIIIA 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 VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and the 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

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.

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

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

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

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

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.

	Note	Un-Audited September 30, 2024 ---- (Rupees in '000) ----	Audited June 30, 2024
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	56,318	126,905
In current accounts	4.2	12,878	9,504
		<b>69,196</b>	<b>136,409</b>
<b>4.1</b>	These carry profit at the rates ranging from 16% to 19% (June 2024: 19% to 20.50%) per annum and include Rs 0.01 million (June 2024: Rs 1.62 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 16% (June 2024: 20.50%) per annum.		
<b>4.2</b>	This include Rs 12.870 million (2023: Rs 13.904 million) maintained with MCB Bank Limited (a related party).		
		Un-Audited September 30, 2024 ---- (Rupees in '000) ----	Audited June 30, 2024
<b>5 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss' - net</b>			
Government securities - Market Treasury Bills & Pakistan			
Investment Bonds & GOP Ijara Securities	5.1	2,136,524	1,756,123
Term finance certificates - listed	5.2	-	-
Term finance certificates - unlisted	5.3	404,115	404,200
		<b>2,540,639</b>	<b>2,160,323</b>

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

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

**5.1.1 Government securities - Market Treasury Bills**

Particulars	Issue Date	Face value			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	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value		
--- (Rupees in '000) ---									
Treasury bills - 3 months	18-Apr-24	300,000	-	300,000	-	-	-	-	-
Treasury bills - 3 months	30-May-24	-	800,000	800,000	-	-	-	-	-
Treasury bills - 3 months	11-Jul-24	-	250,000	250,000	-	-	-	-	-
Treasury bills - 3 months	08-Aug-24	-	350,000	350,000	-	-	-	-	-
Treasury bills - 3 months	22-Aug-24	-	250,000	250,000	-	-	-	-	-
Treasury bills - 6 months	04-Apr-24	-	1,600,000	1,600,000	-	-	-	-	-
Treasury bills - 6 months	11-Jul-24	-	250,000	250,000	-	-	-	-	-
Treasury bills - 6 months	25-Jul-24	-	250,000	250,000	-	-	-	-	-
Treasury bills - 6 months	08-Aug-24	-	350,000	350,000	-	-	-	-	-
Treasury bills - 6 months	22-Aug-24	-	250,000	250,000	-	-	-	-	-
Treasury bills - 6 months	05-Sep-24	-	250,000	250,000	-	-	-	-	-
Treasury bills - 12 months	19-Oct-23	-	2,950,000	2,400,000	550,000	546,095	546,091	(4)	25.97
Treasury bills - 12 months	11-Jan-24	50,000	50,000	100,000	-	-	-	-	-
Treasury bills - 12 months	25-Jan-24	175,000	-	175,000	-	-	-	-	-
Treasury bills - 12 months	04-Apr-24	-	59,490	59,490	-	-	-	-	-
Treasury bills - 12 months	27-Jun-24	-	400,000	300,000	100,000	89,710	90,588	877	4.31
Treasury bills - 12 months	11-Jul-24	-	2,700,000	2,450,000	250,000	223,486	225,509	2,023	10.72
Treasury bills - 12 months	25-Jul-24	-	7,100,000	6,600,000	500,000	445,313	449,154	3,840	21.36
Treasury bills - 12 months	08-Aug-24	-	350,000	350,000	-	-	-	-	-
Treasury bills - 12 months	22-Aug-24	-	500,000	500,000	-	-	-	-	-
Treasury bills - 12 months	05-Sep-24	-	500,000	350,000	150,000	129,933	133,148	3,215	6.33
<b>Total as at September 30, 2024 (Un-Audited)</b>						<b>1,434,538</b>	<b>1,444,469</b>	<b>9,951</b>	
<b>Total as at June 30, 2024 (Audited)</b>						<b>501,220</b>	<b>501,294</b>	<b>75</b>	

**5.1.2 Pakistan investment bonds - Floating Rate Bonds (FRB)**

Particulars	Issue Date	Face value			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	Sold during the period	As at September 30, 2024	Carrying value	Market value		
--- (Rupees in '000) ---									
Pakistan Investment Bond - 5 years	18-Apr-24	600,000	1,250,000	1,850,000	-	-	-	-	-
Pakistan Investment Bond - 5 years	27-Jun-24	-	2,275,000	2,025,000	250,000	242,994	244,200	1,206	11.61
Pakistan Investment Bond - 5 years	05-Sep-24	-	250,000	250,000	-	-	-	-	-
<b>Total as at September 30, 2024 (Un-Audited)</b>						<b>242,994</b>	<b>244,200</b>	<b>1,206</b>	
<b>Total as at June 30, 2024 (Audited)</b>						<b>577,607</b>	<b>579,480</b>	<b>1,873</b>	

**5.1.3 Pakistan investment bonds**

Particulars	Issue Date	Face value			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	Sold during the period	As at September 30, 2024	Carrying value	Market value		
--- (Rupees in '000) ---									
Pakistan Investment Bond - 2 years	20-Sep-24	-	375,000	-	375,000	289,894	296,194	6,299	14.08
Pakistan Investment Bond - 3 years	15-Feb-24	350,000	850,000	1,200,000	-	-	-	-	-
Pakistan Investment Bond - 3 years	04-Jul-24	-	250,000	250,000	-	-	-	-	-
Pakistan Investment Bond - 3 years	20-Sep-24	-	350,000	250,000	100,000	103,866	104,089	222	4.95
Pakistan Investment Bond - 5 years	20-Sep-24	-	250,000	250,000	-	-	-	-	-
<b>Total as at September 30, 2024 (Un-Audited)</b>						<b>393,761</b>	<b>400,282</b>	<b>6,522</b>	
<b>Total as at June 30, 2024 (Audited)</b>						<b>330,516</b>	<b>330,647</b>	<b>131</b>	



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

**5.2.1 Listed debt securities - Term finance certificates**

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of certificates				As at September 30, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised diminution			
					—(Rupees in '000)—			— (%) —		
<b>Investment Banks / Investment Companies / Securities Companies</b>										
<b>Trust Investment Bank Limited</b>										
- Due but not received (Note 5.4)	10,000	-	-	10,000	18,743	(18,743)	-	-	-	-
<b>Miscellaneous</b>										
<b>Pace Pakistan Limited</b>										
- Due but not received (Note 5.4)	10,000	-	-	10,000	49,940	(49,940)	-	-	-	-
<b>Technology &amp; Communication</b>										
<b>Telecard Limited</b>										
- Due but not received (Note 5.4)	19,975	-	-	19,975	15,544	(15,544)	-	-	-	-
<b>Total as at September 30, 2024 (Un-Audited)</b>					<b>84,226</b>	<b>(84,226)</b>	<b>-</b>			
<b>Total as at June 30, 2024 (Audited)</b>					<b>91,999</b>	<b>(91,999)</b>	<b>-</b>			

**5.3 Term finance certificates - unlisted debt securities**

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of certificates				As at September 30, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)			
					—(Rupees in '000)—			— (%) —		
<b>Commercial Banks</b>										
Askari Bank Limited	30	-	-	30	29,850	29,850	-	1.42	1.17	0.75
Bank AL Habib Limited	41,000	-	-	41,000	201,683	201,683	-	9.59	7.94	5.04
The Bank of Punjab	1,730	-	-	1,730	172,627	172,582	(44)	8.21	6.79	4.11
<b>Total as at September 30, 2024 (Un-Audited)</b>					<b>484,159</b>	<b>484,115</b>	<b>(44)</b>			
<b>Total as at June 30, 2024 (Audited)</b>					<b>403,954</b>	<b>404,200</b>	<b>246</b>			

5.3.1 Significant terms and conditions of term finance certificates outstanding as at September 30, 2024 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Commercial Banks</b>				
Askari Bank Limited	3 months KIBOR + 1.20%	17-Mar-20	17-Mar-30	AA
The Bank of Punjab	6 months KIBOR + 1.25%	23-Apr-18	23-Apr-28	AA
Bank AL Habib Limited	6 months KIBOR + 0.75%	30-Sep-21	30-Sep-31	AAA

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**5.4 Status of non compliance as per circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan**

The Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investments	Note	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of gross assets
Trust Investment Bank Limited	5.2.1	TFC	18,743	(18,743)	-	-	-
Telecard Limited	5.2.1	TFC	15,544	(15,544)	-	-	-
Pace Pakistan Limited	5.2.1	TFC	49,940	(49,940)	-	-	-

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

The issuer with the consent of TFC holders have restructured the issue. The restructuring term spreads over a period of 8 years with the first payment of principal started from March 2022 and thereafter in equal quarterly installments with maturity in December 2028. During the period, an amount equal to Rs. 1.55 (June 30, 2024: Rs. 6.22) million payment has been received.

6	PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED -MANAGEMENT COMPANY	Note	September 30,	June 30,
			2024	2024
			----- (Rupees in '000) -----	
	Management remuneration payable	6.1	2,776	1,599
	Sindh Sales Tax payable on remuneration of the Management Company	6.2	416	208
	Allocated expenses payable	6.3	90	133
	Selling and marketing expenses payable		-	1,622
	Sales load payable		3	22
			<u>3,285</u>	<u>3,584</u>

**6.1** As per the amendment in the offering document, the management company with effect from September 02, 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.

**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)**

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**

	Note	September 30, 2024 ----- (Rupees in '000) -----	June 30, 2024
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty and related tax on			
- Management fee	8.1	9,210	9,210
- Sales load		239	239
Legal and professional charges		32	34
Withholding tax on capital gains		393	4,993
Auditors' remuneration		1,097	823
Brokerage		360	-
Others		540	36,192
		<b>11,871</b>	<b>51,490</b>

**8.1 Federal Excise Duty (FED) 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. 0.26 per unit (June 30, 2024: Re. 0.27 per unit).

**9 CONTINGENCIES AND COMMITMENTS**

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

**10 TOTAL EXPENSE RATIO**

The Annualized total expense ratio of the Fund for the period ended September 30, 2024 is 2.03% (September 30, 2023: 2.13%) and this includes 0.31% (September 30, 2023: 0.15%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc.

**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 EARNINGS PER UNIT**

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

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

		<b>Un-Audited September 30, 2024</b>	<b>Audited June 30, 2024</b>
		<b>----- (Rupees in '000) -----</b>	
<b>13</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Bank balances	4	136,409
	Government securities - Treasury bill	5.1.1	298,653
		<b>69,196</b>	<b>435,062</b>

**14 TRANSACTIONS WITH RELATED PARTY / 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 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, 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 to the Management Company and Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed of the Fund.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**14.2 Details of transactions with related parties / connected persons during the year**

	Un-Audited September 30, 2024	Un-Audited September 30, 2023
	—— (Rupees in '000) ——	
<b>MCB Investments Management Limited - Management Company</b>		
Remuneration including indirect taxes	8,228	3,991
Allocated expenses (including indirect taxes)	90	1,551
Marketing and selling expense	-	7,166
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	448	579
CDS charges	17	7
<b>MCB Bank Limited - Parent of the Management Company</b>		
Profit on bank balances	89	2
Bank charges	5	8

**14.3 Details of balances with related parties / connected persons as at period end**

	Un-Audited September 30, 2024	Audited June 30, 2024
	—— (Rupees in '000) ——	
<b>MCB Investments Management Limited - Management Company</b>		
Management remuneration payable	2,776	1,599
Sindh sales tax payable on management remuneration	416	208
Sales load payable	3	22
Payable against allocated expenses (including indirect taxes)	78	133
Payable against marketing and selling expenses	-	1,622
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	130	124
Sindh sales tax payable on Trustee remuneration	19	16
Security deposit	200	200
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balance	13,330	11,121

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

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**15 FAIR VALUE MEASUREMENTS**

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

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

**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).

**16 GENERAL**

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

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

**17 DATE OF AUTHORISATION FOR ISSUE**

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

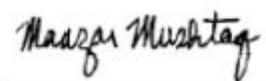
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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