

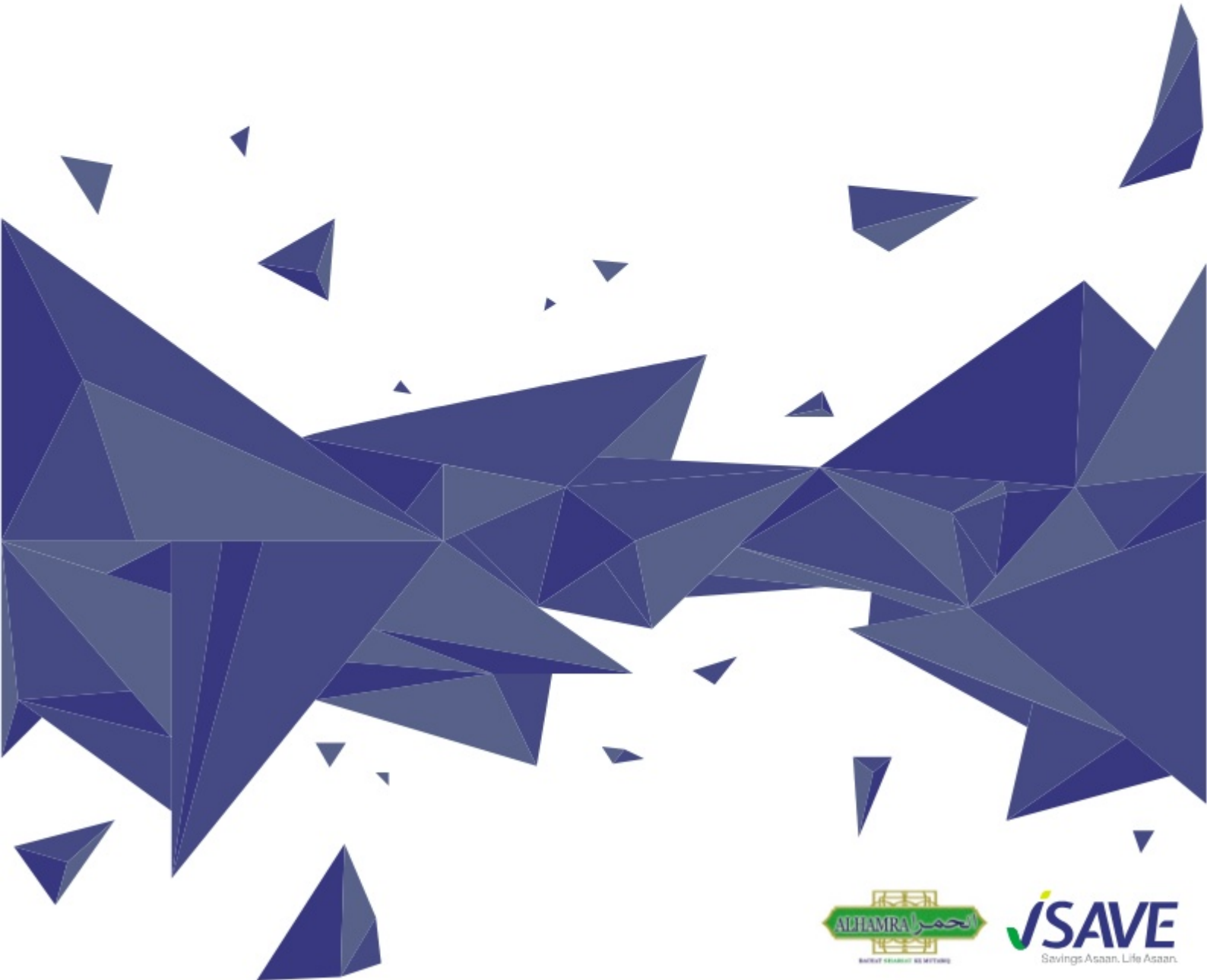


MCB FUNDS
Investments for Life

HALF YEARLY REPORT

DECEMBER
2024
(UNAUDITED)

Funds Under Management of
MCB Investment Management Limited



MCB PAKISTAN OPPORTUNITY FUND DIVIDEND YIELD PLAN

TABLE OF CONTENTS

1	Fund's Information	567
2	Report of the Directors of the Management Company	568
3	Trustee Report to the Unit Holders	577
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	578
5	Condensed Interim Statement of Assets And Liabilities	579
6	Condensed Interim Income Statement (Un-audited)	580
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	581
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	582
9	Condensed Interim Cash Flow Statement (Un-audited)	583
10	Notes to and forming part of the Condensed Interim Financial Statements	584

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. Muhammad Nauman Chughtai 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 Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah Mr. Muhammad Nauman Chughtai	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	Mr. Khawaja Khalil Shah	
Chief Operating Officer & Chief Financial Officer	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.cdc-pakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Allied Bank Limited	
Auditors	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed 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 HALF YEAR ENDED DECEMBER 31, 2024

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Dividend Yield Plan's** accounts review for the half-year ended December 31, 2024.

Economy Review

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

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

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

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

Equity Market Review

KSE-100 Index delivered a stellar performance in the first half of the fiscal year, reaching a new all-time high of 116,169 points. The performance was driven by multiple catalysts, including inflation figures falling to a 80-month low and 900bps interest rate cut by the State Bank of Pakistan (SBP). Additionally, the IMF

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

Board's approval of the USD 7 billion Extended Fund Facility (EFF) provided clarity on the external front and bolstered investor confidence. Furthermore, the foreign currency deposits rollover by friendly countries and consecutive monthly current account surplus provided additional impetus to the rally. Some market volatility was observed in the month of December 24, causing the index to settle at 115,126 points, an increase of 36,682 points or 46.8%.

During 1HFY25, Foreign investors were net sellers with an outflow of USD 186.8 million. The massive selling was on account FTSE rebalancing related outflow as Pakistan was reclassified from Secondary Emerging to Frontier market status. This selling was mainly absorbed by Mutual Funds, Corporates and Individuals with inflow of USD 182.7 million, USD 26.7 million, and USD 26.3 million.

On activity front, average trading volumes for KSE-All Index improved by 54.8% to 686.3 million shares compared to about 443.3 million shares in the preceding half. While the average trading value during the period saw an increase of 65.6% over previous half to near USD 99 million.

E&P, Fertilizer, and Banking sector were the major contributors to the index gain adding 8,280/7,798/7,227 points, respectively. Attractive dividend yield amid monetary easing garner investors interest in Banking & Fertilizer sector. While E&P sector also remained in the limelight due to surprise 800% bonus announcement by MARI and improvement in the liquidity position of circular debt linked companies. On the other hand, the power sector contributed a negative 404 points as the government has renegotiated or terminated contracts with Independent Power Producers (IPPs).

FUND PERFORMANCE

During the period under review, the fund posted a return of 33.92% against 45.65% for the benchmark. The fund was 86.5% invested in Equities and 5.1% in Cash as at December 31, 2024.

The Net Assets of the Fund as at December 31, 2024 stood at Rs. 801 million. The Net Asset Value (NAV) per unit as at December 31, 2024 was Rs. 231.9295.

Economy & Market – Future Outlook

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

The continuation of the IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 13.5bn by year end on the back of flows

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

from friendly countries, IMF and multilateral agencies. Pakistan is on track to record the first annual surplus since FY11 on the back of rebound in exports and remittances along with controlled imports. We expect a current account surplus of USD 2.1bn (0.5% of GDP) in FY25 compared to deficit of USD 681mn (0.2% of GDP) in FY24. We are of the view that improvement in exports and remittances and increased comfort on the external will keep currency stable in the near term. We expect marginal currency depreciation this year with USD/PKR expected to close June 25 around 280.8.

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

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 13.3%, a discount of 28.4% from its historical average of 18.6%. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies, which trade at a deep discount to their intrinsic value. The market is currently trading at a forward Price to Earnings ratio of 6.9x, while offering a dividend yield of 8.2%.

Mutual Fund Industry Review

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

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

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

Mutual Fund Industry Outlook

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

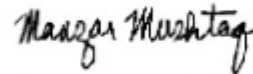
ACKNOWLEDGMENT

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
February 04, 2025



Manzar Mushtaq
Director
February 04, 2025

ڈائریکٹرز رپورٹ

اظہار تشکر

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

منجانب ڈائریکٹرز

Manzar Mushtaq

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

ڈائریکٹرز رپورٹ

کیپٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر مارکیٹ میں تاحال سستے تخمینوں پر تجارت ہو رہی ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب 13.3 فیصد ہے، جو اس کے پُرانے اوسط 18.6 فیصد سے 28.4 فیصد کی ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا خورد بینی منظر اہمیت کا حامل رہے گا، اور سرمایہ کاری کے انتخاب کے معاملے میں ایسی کمپنیوں پر توجہ مرکوز کرنی چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں لاگت کا آمدنی کے ساتھ تناسب 6.9 گنا چل رہا ہے، جبکہ ڈیویڈنڈ سے ہونے والا منافع 8.2 فیصد ہے۔

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈ صنعت کے میٹ اثاثہ جات مالی سال 2025ء کے نصف اول کے دوران تقریباً 68.1 فیصد بڑھ کر 4,326 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز میں جون 2024ء کے بعد مجموعی طور پر تقریباً 45.8 فیصد ترقی ہوئی۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 85.9 فیصد بڑھ کر 1,170 بلین روپے ہو گئے جبکہ اسلامک فنڈز 8.7 فیصد بڑھ کر 738 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے مجموعی طور پر تقریباً 96.5 فیصد بڑھ کر 1,889 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 80.9 فیصد بڑھ کر 462 بلین روپے ہو گئے۔

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

میوچل فنڈ صنعت کے مستقبل کا منظر

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

معیشت اور مارکیٹ - مستقبل کا منظر

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

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

مہنگائی کی سطح میں تیزی سے کمی آئی ہے جس کے اہم ترین عوامل بنیادی اثر اور روپے میں استحکام ہیں۔ ہیڈلائن مہنگائی دسمبر 2024ء میں 4.1 فیصد تک پہنچ گئی تھی، جو مئی 2023ء میں 38.0 فیصد کی بلند سطح کے بالمقابل ہے۔ یہ گزشتہ 80 ماہ کی کم ترین سطح ہے۔ بنیادی مہنگائی میں بھی کمی کا رجحان رہا جو 9.2 فیصد (34 ماہ کی کم ترین سطح) تک پہنچ گئی۔ 'سی پی آئی' کا اوسط مالی سال 2025ء میں متوقع طور پر تقریباً 6.1 فیصد ہوگا، جو مالی سال 2024ء میں 23.9 فیصد کے بالمقابل ہے۔ ایس بی پی نے سود کی شرحوں میں جون 2024ء سے اب تک مجموعی طور پر 900 بی پی ایس کمی کی ہے کیونکہ سود کی شرحیں 22.0 فیصد کی بلند سطح سے کم ہو کر 13.0 فیصد ہو گئے ہیں۔ ہم سمجھتے ہیں کہ شرح سود میں مزید 100 بی پی ایس کمی کے بعد مانیٹری پالیسی کمیٹی اس کمی کی مالیاتی منتقلی کے اثر کو جانچنے کے لیے تسہیل کے چکر کو کچھ عرصے کے لیے روک سکتی ہے۔ ہمارے base کے معاملے میں ہم فرض کر رہے ہیں کہ شرح سود مستقبل قریب میں 12.0 فیصد پر چھکی رہے گی، تاہم متوقع سے کم مہنگائی اور زر مبادلہ کے ذخائر میں بھرپور بڑھوتری کے ساتھ شرح سود میں مزید کمی خارج از امکان نہیں ہے۔

ڈائریکٹرز رپورٹ

ایکویٹی مارکیٹ جائزہ

KSE-100 انڈیکس مالی سال کے نصف اول میں شاندار کارکردگی کا مظاہرہ کرتے ہوئے 116,169 پوائنٹس کی اب تک کی نئی بلند ترین سطح تک پہنچ گیا۔ اس کامیابی کے متعدد عوامل تھے، بشمول مہنگائی میں 80 ماہ کی کم ترین سطح تک کمی، اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی طرف سے شرح سود میں 900 بی پی ایس کی کمی۔ مزید برآں، آئی ایم ایف بورڈ کی 7 بلین ڈالر کی ایکسٹینڈڈ فنڈ فیسلٹی (ای ایف ایف) کی منظوری کی بدولت خارجی محاذ پر صورتحال واضح ہوئی اور سرمایہ کاروں کے اعتماد کو تقویت حاصل ہوئی۔ علاوہ ازیں، دوست ممالک سے غیر ملکی کرنسی کے ذخائر کی منتقلی اور مسلسل ماہانہ کرنٹ اکاؤنٹ منافع کی بدولت بڑھاؤ کو مزید فروغ حاصل ہوا۔ دسمبر 2024ء میں مارکیٹ میں کچھ عدم استحکام دیکھا گیا جس کے باعث انڈیکس 115,126 پوائنٹس پر پہنچ گیا، جو 36,682 پوائنٹس یعنی 46.8 فیصد اضافہ ہے۔

مالی سال 2025ء کے نصف اول کے دوران غیر ملکی سرمایہ کار نیٹ فروخت کنندگان تھے جن کے ذریعے 186.8 ملین ڈالر کا اخراج ہوا۔ اتنے بڑے حجم میں فروخت کی وجہ ایف ٹی ایس ای میں دوبارہ توازن پیدا کرنے سے متعلقہ اخراج تھی کیونکہ پاکستان کی درجہ بندی کو سینڈری ایمرجنگ سے تبدیل کر کے 'فسر نیٹو مارکیٹ' کر دیا گیا۔ اس فروخت کے خریدار زیادہ تر میچل فنڈز، کارپوریٹس اور افراد تھے جن کے ذریعے بالترتیب 182.7 ملین ڈالر، 26.7 ملین ڈالر اور 26.3 ملین ڈالر کی آمدات ہوئیں۔

سرگرمیوں کے محاذ پر KSE-ALL انڈیکس 54.8 فیصد بڑھ کر 686.3 ملین حصص ہو گیا، جو گزشتہ نصف سال میں تقریباً 443.3 ملین حصص کے بالمقابل ہے۔ اوسط تجارتی قدر دوران مدت گزشتہ نصف سے 65.6 فیصد بڑھ کر تقریباً 99 ملین ڈالر ہو گئی۔

ای اینڈ پی، کھاد اور بینکاری کے شعبوں نے انڈیکس میں سب سے زیادہ حصہ ڈالا جو بالترتیب 8,280/7، 798/7 اور 227 پوائنٹس کا اضافہ تھا۔ ڈیویڈنڈ سے ہونے والے پُرکشش منافع اور مالیاتی تسہیل نے بینکاری اور کھاد کے شعبوں میں سرمایہ کاروں کی دلچسپی مبذول کرائی۔ ای اینڈ پی شعبہ بھی منظر عام پر رہا جس کے عوامل MARI کی جانب سے 800 فیصد بونس پوائنٹس کا غیر متوقع اعلان اور گردش قرض سے منسلک کمپنیوں کی نقدیت کی صورتحال میں بہتری ہیں۔ دوسری جانب، بجلی کے شعبے نے منفی 404 پوائنٹس کا حصہ ڈالا کیونکہ حکومت نے بجلی کے آزاد پیدا کاروں (آئی پی پی) کے ساتھ معاہدوں میں ترمیم کر دی ہے یا ان کو ختم کر دیا ہے۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 33.92 فیصد منافع حاصل کیا جو بینچمارک ریٹرن 45.65 فیصد کے بالمقابل ہے۔ 31 دسمبر 2024ء کو فنڈ کی سرمایہ کاری ایکویٹیز میں 86.5 فیصد اور نقد میں 5.1 فیصد تھی۔

31 دسمبر 2024ء کو فنڈ کے نیٹ اثاثہ جات 801 ملین روپے تھے۔ 31 دسمبر 2024ء کو فنڈ کی نیٹ اثاثہ جاتی قدر (NAV) نی یونٹ 231.9295 روپے تھی۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ڈیویڈنڈ ییلڈ پلان کے اکاؤنٹس کا جائزہ برائے نصف سال مختتمہ 31 دسمبر 2024ء پیش خدمت ہے۔

معیشت کا جائزہ

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

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

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

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

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN OPPORTUNITY FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Opportunity Fund (the Fund) are of the opinion that MCB Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2024 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 21, 2025



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



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C,
Lakson Square, Building No.1
Serwar Shaheed Road
Karachi-74250
Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF MCB PAKISTAN OPPORTUNITY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of MCB Pakistan Opportunity Fund ("the Fund") as at December 31, 2024 and the related condensed interim income statement, the condensed interim statement of comprehensive income, the condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the half year then ended. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matter

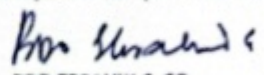
The figures for the quarter ended December 31, 2024 and December 31, 2023 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 24 FEB 2025

UDIN: RR202410166uo55C6pse


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co. a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Balances with banks	4	41,311	44,810
Investments	5	697,287	236,226
Receivable against sale of investments		65,072	6,594
Mark-up receivable	6	1,444	714
Advances, deposits and other receivables	7	1,127	1,117
Total Assets		806,241	289,461
LIABILITIES			
Payable to MCB Investment Management Limited- Management Company	8	3,248	1,385
Payable to Central Depository Company of Pakistan Limited - Trustee	9	170	61
Payable to the Securities and Exchange Commission of Pakistan	10	70	26
Accrued expenses and other liabilities	11	2,132	998
Total liabilities		5,620	2,470
NET ASSETS		800,621	286,991
UNIT HOLDERS' FUND (as per statement attached)		800,621	286,991
Contingencies and Commitments	12		
		---- (Number of units) ----	
NUMBER OF UNITS IN ISSUE		3,452,003	1,657,136
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		231.9295	173.1845

The annexed notes 1 to 20 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half Year ended December 31,		Quarter ended December 31,	
		2024	2023	2024	2023
(Unaudited)					
(Rupees in '000)					
INCOME					
Financial income on:					
- Government securities		-	447	-	-
- Bank balances		5,921	2,996	3,205	1,935
Dividend income		36,381	15,904	14,207	8,781
Gain on sale of investment - net		20,067	24,193	35,353	17,812
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net	5.1	103,834	45,660	82,495	35,604
Total income		166,203	89,200	135,260	64,132
EXPENSES					
Remuneration of MCB Investment's Management Limited - Management Company		8,859	2,013	5,393	1,549
Sindh Sales Tax on remuneration of the Management Company		1,329	262	809	202
Remuneration of Central Depository Company of Pakistan Limited - Trustee		527	233	328	140
Sindh Sales Tax on remuneration of the Trustee		79	30	49	18
Allocated expenses		-	51	-	51
Annual fee to the Securities and Exchange Commission of Pakistan	10	250	111	155	67
Auditors' remuneration		306	255	165	143
Securities transaction cost		1,843	851	1,070	516
Settlement and bank charges		231	250	90	125
Legal and professional charges		102	91	13	14
Printing and related charges		34	50	9	25
Marketing and selling expense		-	201	-	201
Total expenses		13,561	4,398	8,081	3,051
Net income for the period before taxation		152,642	84,802	127,178	61,082
Taxation	9	-	-	-	-
Net income for the period after taxation		152,642	84,802	127,178	61,082
Allocation of net income for the period:					
Net income for the period after taxation		152,642	84,802		
Income already paid on units redeemed		(10,961)	(14,927)		
		<u>141,681</u>	<u>69,875</u>		
Accounting income available for distribution:					
- Relating to capital gains		114,572	57,915		
- Excluding capital gains		27,109	11,960		
		<u>141,681</u>	<u>69,875</u>		
Earnings per unit	10				

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

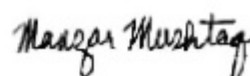
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Half Year ended December 31,		Quarter ended December 31,	
	2024	2023	2024	2023
	(Rupees in '000)			
Net income for the period	152,642	84,802	127,178	61,082
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>152,642</u>	<u>84,802</u>	<u>127,178</u>	<u>61,082</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

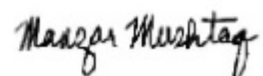
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended December 31,					
	2024			2023		
	Capital Value	Undistributed (loss) / income	Total	Capital Value	Undistributed (loss) / income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	231,077	55,914	286,991	191,060	17,879	208,939
Issuance of 5,525,472 (2024: 750,683 units):						
Gain on sale of investment - net	956,928	-	956,928	275,946	-	275,946
Element of income	167,492	-	167,492	85,892	-	85,892
Amount received on issuance of units	1,124,420	-	1,124,420	361,838	-	361,838
Redemption of 3,730,605 (2024: 113,396 units):						
Capital value	(646,083)	-	(646,083)	(260,184)	-	(260,184)
Element of income	(106,388)	(10,961)	(117,349)	(56,760)	(14,927)	(71,687)
Amount paid / payable on redemption of units	(752,471)	(10,961)	(763,432)	(316,944)	(14,927)	(331,871)
Total comprehensive income / (loss) for the period	-	152,642	152,642	-	84,802	84,802
Distribution during the period	-	-	-	-	(18,160)	(18,160)
Net income for the period less distribution	-	152,642	152,642	-	66,642	66,642
Net assets as at the end of the period	603,026	197,595	800,621	235,954	69,594	305,548
Undistributed gain / (loss) brought forward comprising of:						
- Realised	2,143			19,948		
- Unrealised	53,771			(2,069)		
	55,914			17,879		
Accounting income available for distribution:						
- Relating to capital gains	114,572			57,915		
- Excluding capital gains	27,109			11,960		
	141,681			69,875		
Net Income for the period after taxation	152,642			84,802		
Distribution during the period	-			(18,160)		
Undistributed loss carried forward	197,595			69,594		
Undistributed gain carried forward comprising of:						
- Realised	93,761			23,933		
- Unrealised	103,834			45,660		
	197,595			69,594		
	(Rupees)			(Rupees)		
Net assets value per unit as at beginning of the period	173.1845			111.0314		
Net assets value per unit as at end of the period	231.9295			149.9797		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

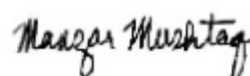
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	Half year ended December 31,	
		2024	2023
		(Unaudited)	
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		152,642	84,802
Adjustments for non cash and other items:			
Mark-up on balances with banks		(5,921)	(2,996)
Dividend income		(36,381)	(15,904)
Gain on sale of investments - net		(20,067)	(24,193)
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net		(103,834)	(45,660)
		(13,561)	(3,952)
(Increase) in assets			
Investments - net		(337,160)	(23,042)
Receivable against sale of investments		(58,478)	(14,826)
Advances, deposits and other receivables		(10)	(160)
		(395,648)	(38,028)
Increase/ (Decrease) in liabilities			
Payable to Management Company		1,863	1,082
Payable to Trustee		109	31
Payable to the Securities and Exchange Commission of Pakistan		44	(1)
Payable against purchase of investments		-	(12,081)
Accrued expenses and other liabilities		1,134	3,321
		3,150	(7,648)
Markup received on balances with bank		5,191	2,730
Dividend received		36,381	15,904
Net cash (used in) operating activities		(364,487)	(30,994)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		1,124,420	361,838
Amount paid on redemption of units		(763,432)	(331,871)
Final dividend paid during the period		-	(18,160)
Net cash generated from financing activities		360,988	11,807
Net decrease in cash and cash equivalents during the period		(3,498)	(19,187)
Cash and cash equivalents at the beginning of the period		44,810	31,133
Cash and cash equivalents at the end of the period	14	41,311	11,947

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

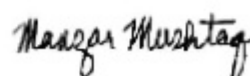
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Opportunity Fund (the Fund) has been established through the Trust Deed (the Deed) dated March 10, 2024 under the Sindh Trust Act, 2020 entered into and between MCB Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee) and is authorised under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). The Securities and Exchange Commission of Pakistan (SECP) has authorised the offer of Units of MCB Pakistan Opportunity Fund and has registered the fund as a notified entity under the Regulations vide letter No SCD/AMCW/MPOF/344/2024 dated May 19, 2024. The SECP approved the Offering Document under the Regulations vides its Letter No. SCD/AMCW/MPOF/378/2024 dated June 16, 2024.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Baking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The duration of the Fund is perpetual. The Fund is an open-end collective investment scheme categorised as a "Asset Allocation Scheme". However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund. The Management Company launched its first plan under MCB Pakistan Opportunity Fund on June 29, 2024 i.e. IPO date of the Plan (MCB Pakistan Dividend Yield plan).
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned management quality rating of 'AM1' dated October 04, 2024 to the Management Company.
- 1.5 The objective of Fund is to provide investors with long term capital growth from an actively managed portfolio of listed equities belonging to equity securities.
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

-International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act).

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

-Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;

-The 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 requirements of the Trust Deed differ from IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2 The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2024.
- 2.1.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.
- 2.1.4 In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2024.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani ('Rupees 'or 'Rs.'), which is the functional and presentation currency of the Fund.

3 MATERIAL ACCOUNTING POLICY INFORMATION, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 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.
- 3.2 The preparation of the condensed interim financial statements in conformity with the 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

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

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 Fund for the year ended June 30, 2024.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or did not have any material effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2025. However, the new standards, interpretations and amendments to the approved accounting standards and not expected to have any material impact on the Fund's condensed interim financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the fund as at and for the year ended June 30, 2024.

		December 31, 2024 (Un audited)	June 30, 2024 (Audited)
	Note	————(Rupees in '000)————	
4 BALANCES WITH BANKS			
In saving accounts	4.1	<u>41,311</u>	<u>44,810</u>
4.1 These carry markup at the rate of 19.00% to 13.50% per annum (June 30, 2024: 19.0% to 20.50%) and include Rs.2.72 million (June 30, 2024: Rs. 1.396 million) maintained with MCB Bank Limited a related party.			
5 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	<u>697,287</u>	<u>236,226</u>

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

5.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Symbol	No. of shares				Balance as at December 31, 2024				Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
		As at July 01, 2024	Purchased during the period	Sold during the period	As at December 31, 2024	Carrying Value	Market value as at December 31, 2024	Unrealised gain / (loss)			
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Cement											
Bestway Cement Limited	BWCL	91,731	90,879	(45,335)	137,275	36,083	49,243	13,160	6.15%	0.83%	
Fauji Cement Company Limited	FCCL	-	1,768,000	(353,000)	1,415,000	40,784	51,761	10,977	6.47%	0.21%	
Pioneer Cement Limited	PTOC	89,000	225,400	(87,400)	227,000	42,930	45,636	2,706	5.70%	2.01%	
					1,779,275	119,797	146,640	26,843	18.3%	3.0%	
Chemicals											
Archroma Pakistan Limited	ARPL	20,283	-	(20,283)	-	-	-	-	-	-	
Lotte Chemical Pakistan Limited	LOTCEM	-	980,000	(98,000)	882,000	16,030	18,443	2,413	2.30%	0.12%	
					882,000	16,030	18,443	2,413	2.30%	0.12%	
Commercial banks											
Bank Alfalah Limited**	BAFL	247,000	1,024,500	(237,500)	1,034,000	72,871	86,163	13,292	10.76%	0.55%	
Habib Metropolitan Bank Limited	HMB	425,000	115,429	(102,929)	437,500	31,770	38,063	6,293	4.75%	0.36%	
MCB Bank Limited	MCB	-	26,500	(26,500)	-	-	-	-	-	-	
United Bank Limited	UBL	33,500	48,000	(46,500)	35,000	9,201	13,378	4,177	1.67%	0.11%	
Habib Bank Limited	HBL	29,000	354,900	(82,100)	301,800	45,473	52,652	7,179	6.58%	0.36%	
National Bank Of Pakistan	NBP	233,000	541,500	(124,500)	650,000	34,989	43,498	8,509	5.43%	0.20%	
Meezan Bank Limited	MEBL	57,000	134,500	(40,500)	151,000	37,441	36,537	(904)	4.56%	0.20%	
					2,609,300	231,745	270,291	38,546	33.76%	1.79%	
Fertilizer											
Engro Fertilizer Limited	EFERT	126,000	402,780	(111,780)	417,000	77,561	85,147	7,586	10.64%	0.64%	
Fatima Fertilizer Company Limited	FATIMA	-	1,337,000	(244,000)	1,093,000	66,163	85,560	19,397	10.69%	0.41%	
Fauji Fertilizer Company Limited**	FFC	159,000	175,000	(306,000)	28,000	7,291	10,257	2,966	1.28%	0.07%	
					1,538,000	151,015	180,964	29,949	22.60%	1.12%	

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

Name of the investee company	No. of shares					Balance as at December 31, 2024			
	As at July 01, 2024	Purchased during the period	Sold during the period	As at December 31, 2024	Carrying Value	Market value at December 31, 2024	Unrealised gain / (loss)	Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
Power generation and distribution									
The Hub Power Company Limited	81,000	192,500	(273,500)	-	-	-	-	-	-
Nishat Power Limited*	174,500	1,539,500	(696,000)	1,018,000	30,148	35,996	5,848	4.50%	1.02%
Nishat Chunian Power Limited	613,654	1,349,000	(947,654)	1,015,000	29,248	27,375	(1,873)	3.42%	0.75%
Lajpore Power Limited*	530,000	190,000	(720,000)	-	-	-	-	-	-
				2,033,000	59,396	63,371	3,975	7.92%	1.76%
Tabacco									
Pakistan Tobacco Company Limited	7,399	7,800	(2,000)	13,199	15,470	17,578	2,108	2.20%	0.69%
				13,199	15,470	17,578	2,108	2.20%	0.69%
				8,854,774	593,453	697,287	103,834	8.7%	9.52%
Total as at December 31, 2024					593,453	697,287	103,834		
Total as at June 30, 2024					182,455	236,226	53,771		

	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
	--- (Number of shares) ---		--- (Rupees in '000) ---	
Attock Petroleum Limited	-	15,500	-	5,987
Bank Alfalah Limited	325,000	-	27,082	-
Fauji Fertilizer Company Limited	28,000	37,000	10,257	6,045
The Hub Power Company Limited	-	50,000	-	8,154
	353,000	102,500	37,339	20,186

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

*These represents transaction with related parties.
**These represents pledge securities (note 5.1.1).

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

	December 31, 2024	June 30, 2024
Note	(Un-Audited)	(Audited)
	—— (Rupees in '000) ——	
6 MARK-UP RECEIVABLE		
Mark-up receivable on bank balances	1,444	714
7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
Balances with banks	117	117
Security deposits with NCCPL	1,000	1,000
Other receivable	10	-
	<u>1,127</u>	<u>1,117</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. The amount of withholding tax deducted on mark-up on bank deposits has been shown as advance tax as at June 30, 2024 and as at December 31, 2024 in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY

Payable to Management Company	8.1	2,566	846
Sindh sales tax payable on management fee	8.2	385	110
Payable against allocated expenses	8.3	-	22
Selling and marketing expenses payable	8.4	-	350
Sales load payable		297	57
		<u>3,248</u>	<u>1,385</u>

8.1 The Management Company has charged remuneration at the rate of upto 4% (June 30, 2024: 4%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 Sales tax on management remuneration has been charged at the rate of 15% (June 30, 2024:

8.3 The Management Company allocates expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the Board of Directors of the Management Company. However, during the period, no expense was allocated to the Fund.

8.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

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

8.4.1 The Management Company charges Selling and Marketing Expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses. However,during the period, no expense was allocated to the Fund.

	December 31, 2024	June 30, 2024
Note	(Un-Audited)	(Audited)
	-----	-----
	(Rupees in '000)	

**9 PAYABLE TO CENTRAL DEPOSITORY COMPANY-
OF PAKISTAN LIMITED**

Payable to trustee	9.1	148	54
Sindh sales tax payable on trustee fees	9.2	22	7
		<u>170</u>	<u>61</u>

9.1 The Trustee, CDC is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is as follows:

Net assets value	Tariff per annum
Upto Rs.1,000,000,000	0.20% per annum of Net Assets
On amount exceeding Rs.1,000,000,000	Rs.2,000,000 plus 0.10% on amount exceeding Rs.1,000,000,000

9.2 Sales tax on trustee fee has been charged at the rate of 15% (June 30, 2024: 13%).

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

In accordance with the NBFC Regulations 2008, CIS is required to pay annual fee to the SECP on annual basis at the rate of 0.02% of average Net Assets of CIS calculated on daily basis.

Effective as of July 1, 2024, the SECP, through SRO 592 dated May 17, 2024, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

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

	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
Note	———— (Rupees in '000) ————	
11 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	282	428
Printing and related charges payable	71	40
Payable to legal advisor	40	31
Brokerage payable	964	256
Withholding tax payable	775	243
	<u>2,132</u>	<u>998</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the December 31, 2024 other than those disclosed in these financial statements (June 30, 2024: Nil).

13 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 exempted from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14 CASH AND CASH EQUIVALENTS

Balance with banks	4	<u>41,311</u>	<u>44,810</u>
--------------------	---	---------------	---------------

15 EARNINGS PER UNIT

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

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

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

	December 31, 2024	December 31, 2023
	----- (Un audited) -----	
	----- (Rupees in '000) -----	
16.3 Transactions during the period:		
MCB Investment Management Limited - Management Company		
Remuneration of the Management Company	8,859	2,013
Sindh Sales Tax on remuneration of the Management Company	1,329	262
Allocated Expenses	-	51
Marketing & Selling Expenses	-	201
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	527	233
Sindh Sales Tax on remuneration of the Trustee	79	30
CDC settlement charges	37	28
MCB Bank Limited		
Purchase of Nil Shares (2023:106,100 shares)	-	13,686
Sale of Nil Shares (2023:138,100 shares)	-	19,404
Dividend Income	-	1,178
Mark-up on bank balances	109	186
Bank charges	4	4
Nishat Power Limited		
Dividend Income	940	633
Purchase 1,539,500 shares (2023: 142,000 shares)	48,490	3,901
Sales 696,000 shares (2023:130,000 shares)	25,492	2,917
Lalpir Power Limited		
Dividend Income	1,166	-
Purchase of 190,000 shares (2023: 593,000 shares)	4,618	11,558
Sale of 720,000 shares (2023:78,618 shares)	14,191	1,536
Atlas Battery Limited		
Purchase of Nil shares (2023: 500 shares)	-	126
Sale of Nil shares (2023:10,500 shares)	-	2,437

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

	December 31, 2024 (Unaudited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
16.4 Balances outstanding at period end:		
MCB Investment Management Limited - Management Company		
Remuneration payable	2,566	846
Sindh sales tax payable on remuneration	385	110
Sale load payable	297	429
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	148	54
Sindh sales tax payable on remuneration	22	7
Group / associated companies		
MCB Bank Limited		
Bank balance	2,727	1,396
Nishat Power Limited		
1,018,000 shares (2024: 174,500 shares)	35,996	6,898
Lalpir Power Limited		
Sale of Nil shares (2024:530,000 shares)	-	13,473

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

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2024 and June 30, 2024, the Fund held the following instruments measured at fair values:

	December 31, 2024 (Un-audited)			Total
	Level 1	Level 2	Level 3	
	(Rupees in 000)			
December 31, 2024 (Un-audited)				
At fair value through profit or loss				
Listed equity securities	<u>697,287</u>	<u>-</u>	<u>-</u>	<u>697,287</u>
June 30, 2024 (Audited)				
At fair value through profit or loss				
Listed equity securities	<u>236,226</u>	<u>-</u>	<u>-</u>	<u>236,226</u>

During the period ended December 31, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

18 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 5.15% and this includes 0.72% representing government levy, SECP fee etc.

19 GENERAL

19.1 Figures have been rounded off to the nearest thousands, unless otherwise specified.

19.2 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on February 04, 2025.

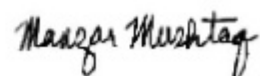
For MCB Investment Management Limited
(Management Company)



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