

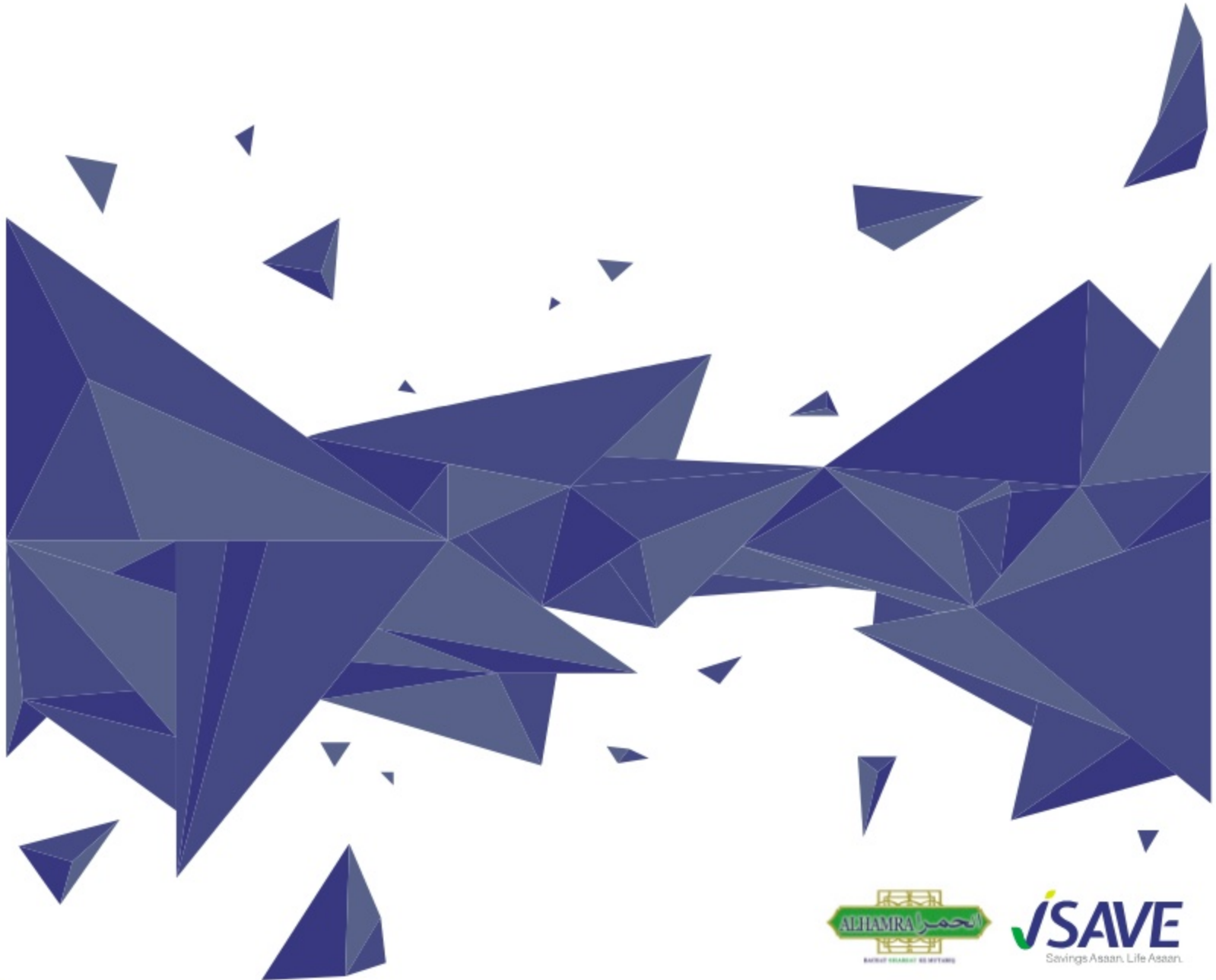


MCB FUNDS  
Investments for Life

# HALF YEARLY REPORT

DECEMBER  
**2024**  
(UNAUDITED)

Funds Under Management of  
MCB Investment Management Limited



# **PAKISTAN INCOME FUND**

## TABLE OF CONTENTS

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1	Fund's Information	39
2	Report of the Directors of the Management Company	40
3	Trustee Report to the Unit Holders	48
4	Auditor's Report to the Unit Holders on Review of Condensed Interim Financial Statements	49
5	Condensed Interim Statement of Assets And Liabilities	50
6	Condensed Interim Income Statement (Un-audited)	51
7	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	52
8	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	53
9	Condensed Interim Cash Flow Statement ( Un-audited)	54
10	Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	55

## 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. Muhammad Nauman Chughtai</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 Ms. Mavra Adil Khan Mr. Khawaja Khalil Shah <b>Mr. Muhammad Nauman Chughtai</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	<b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain Mr. Khawaja Khalil Shah	<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.cdcpakistan.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 Trajati Bank Limited Habib Bank Limited HBL Micro 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 HALF YEAR ENDED DECEMBER 31, 2024

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Fund'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.

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

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### **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 21.39% as against its benchmark return of 16.60%.

At period end, the fund was invested 67.6% in T-Bills, 13.8% in PIBs and 11.5% in TFC/Sukuks. The weighted average maturity of the fund stood at 1.8 years at December 31, 2024.

The Net Assets of the Fund as at December 31, 2024, stood at Rs. 2,759 million as compared to Rs. 1,899 million as at June 30, 2024 registering an increase of 45.2%.

The Net Asset Value (NAV) per unit as at December 31, 2024 was Rs. 60.8707 as compared to the opening NAV of Rs. 54.9452 per unit as at June 30, 2024 registering an increase of Rs. 5.9255 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 3.1% 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 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

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

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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.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year.

### **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.

### **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 broader 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.

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

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**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

اظہارِ 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 شکر یہ ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کی کاوشوں کو بھی خراجِ تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز

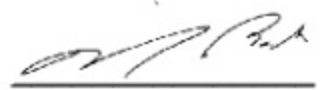
*Manzar Mushtaq*

منظر مشتاق

ڈائریکٹر

کراچی،

04 فروری 2025ء



خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

کراچی،

04 فروری 2025ء

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 جھکی رہے گی، تاہم متوقع سے کم مہنگائی اور زرمبادلہ کے ذخائر میں بھرپور بڑھوتری کے ساتھ شرح سود میں مزید کمی خارج از امکان نہیں ہے۔

حاملین قرض کے لیے ہم سمجھتے ہیں کہ منی مارکیٹ فنڈز سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز صنعت کے نیٹ 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، فکسڈ انکم اور فکسڈ 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 فکسڈ 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 کمیٹیٹل مارکیٹوں، خصوصاً ایکویٹیز، میں بھرپور دلچسپی کا سلسلہ جاری رہے گا۔ ہمارے کام کاج بلا 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۔

## فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 21.39 فیصد تھا جو بینچمارک ریلٹون 16.60 فیصد کے بالمقابل ہے۔ اختتام مدت پر فنڈ کی سرمایہ کاری ٹی۔ بلسز میں 67.6 فیصد، پی آئی بی میں 13.8 فیصد اور ٹی ایف سی / سٹاک میں 11.5 فیصد تھی۔ فنڈ کی بالوزن اوسط میچورٹی 31 دسمبر 2024ء کو 1.8 سال تھی۔

31 دسمبر 2024ء کو فنڈ کے نیٹ اثاثہ جات 2,759 ملین روپے تھے، جو 30 جون 2024ء کو 1,899 ملین روپے کے مقابلے میں 45.2 فیصد اضافہ ہے۔

31 دسمبر 2024ء کو فنڈ کی نیٹ اثاثہ جاتی قدر (NAV) فی یونٹ 60.8707 روپے تھی، جو 30 جون 2024ء کو ابتدائی (NAV) 54.9452 روپے فی یونٹ کے مقابلے میں 5.9255 روپے فی یونٹ اضافہ ہے۔

## 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 دوطرفہ 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۔ ہیڈ لائن 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 کارجان 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

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم فنڈ 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 فسیملٹی (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 ملکہ کارنٹ اکاؤنٹ 1.2 بلین روپے منافعے میں رہا، جو گزشتہ سال مماثل مدت میں 1.4 بلین ڈالر خسارے کے بالمقابل ہے۔ کارنٹ 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۔ ملکہ 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 کارنٹ 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 اشیائے خورد و نوش اور توانائی کی قیمتیں مستحکم ہوئیں۔ مزید برآں، گندم کی قیمتوں اور سالانہ گزشتہ کی سطح کے سال رواں پر اثر میں بھرپور کمی نے مہنگائی کم کرنے میں مزید کردار ادا کیا۔

ملکہ 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 تنسؤل ہوا۔ صنعتی پیداوار میں کمی کے سب سے بڑے عوامل سوڈ 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 سست 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

### PAKISTAN INCOME 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 Pakistan Income 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



A.F. FERGUSON & CO.

## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Income Fund** (the Fund) as at December 31, 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, 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 the 'condensed interim financial statements'), for the half year ended December 31, 2024. The Management Company (MCB Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

### Scope of Review

We conducted our review in accordance with the 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Junaid Mesia**  
Dated: February 27, 2025  
Karachi  
UDIN: RR202410611rjDgAHLV

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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

	Note	December 31, 2024 (Un-audited) ----- (Rupees in '000) -----	June 30, 2024 (Audited)
<b>ASSETS</b>			
Balances with banks	4	179,292	136,409
Investments	5	3,287,444	2,160,323
Mark-up receivables	6	25,316	88,881
Advances, deposits, prepayments and other receivables	7	19,255	15,124
Receivable against sale of investments		-	201,739
<b>Total assets</b>		<b>3,511,307</b>	<b>2,602,476</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	8	4,986	3,584
Payable to Central Depository Company of Pakistan Limited - Trustee	9	184	140
Payable to the Securities and Exchange Commission of Pakistan	10	160	124
Payable against redemption of units		47	47
Payable against purchase of investments		736,104	647,761
Accrued expenses and other liabilities	11	11,318	51,490
<b>Total liabilities</b>		<b>752,799</b>	<b>703,146</b>
<b>NET ASSETS</b>		<b>2,758,508</b>	<b>1,899,330</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>2,758,508</b>	<b>1,899,330</b>
<b>Contingencies and commitments</b>	12		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>45,317,490</b>	<b>34,567,718</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>60.8707</b>	<b>54.9452</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

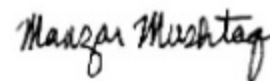
For MCB Investment Management Limited  
(Management Company)



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
----- (Rupees in '000) -----					
<b>INCOME</b>					
Income from government securities		121,936	182,938	60,111	78,586
Net realised gain on sale of investments		59,067	8,629	30,255	21,473
Income from term finance certificates		40,307	56,262	17,242	28,087
Mark-up on savings accounts with banks		19,842	40,825	8,000	15,907
Net unrealised diminution on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5.5	(1,434)	(6,348)	(19,577)	(7,720)
Other income		3,677	3,610	1,947	1,836
<b>Total income</b>		<b>243,395</b>	<b>285,916</b>	<b>97,978</b>	<b>138,169</b>
<b>EXPENSES</b>					
Remuneration of MCB Investment Management Limited - Management Company	8.1	17,148	14,094	9,993	10,562
Sindh Sales Tax on remuneration of the Management Company	8.2	2,572	1,832	1,499	1,373
Allocated expenses	8.3	400	1,907	322	356
Sindh Sales Tax on allocated expenses	8.4	60	-	48	-
Selling and marketing expenses		-	8,568	-	1,402
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9	817	941	427	428
Sindh Sales Tax on remuneration of the Trustee	9.2	123	122	65	56
Fee to the Securities and Exchange Commission of Pakistan Brokerage, settlement and bank charges	10.1	817	941	427	428
Fees and subscription		2,274	919	1,394	523
Legal and professional charges		296	553	148	418
Auditors' remuneration		102	94	15	15
Printing and related costs		545	441	271	252
		33	50	8	24
<b>Total expenses</b>		<b>25,187</b>	<b>30,462</b>	<b>14,617</b>	<b>15,837</b>
<b>Net income for the period before taxation</b>		<b>218,208</b>	<b>255,454</b>	<b>83,361</b>	<b>122,332</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>218,208</b>	<b>255,454</b>	<b>83,361</b>	<b>122,332</b>
<b>Allocation of net income for the period:</b>					
Net income for the period after taxation		218,208	255,454		
Income already paid on units redeemed		(19,497)	(57,750)		
		<u>198,711</u>	<u>197,704</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		52,008	347		
- Excluding capital gains		146,703	197,357		
		<u>198,711</u>	<u>197,704</u>		

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

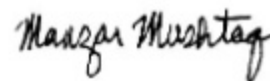
For MCB Investment Management Limited  
(Management Company)



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)			
<b>Net income for the period after taxation</b>	218,208	255,454	83,361	122,332
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>218,208</u>	<u>255,454</u>	<u>83,361</u>	<u>122,332</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

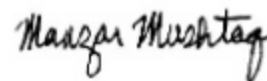
For MCB Investment Management Limited  
(Management Company)



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			Half year ended December 31, 2023		
	Capital Value	Accumulated income	Total	Capital Value	Accumulated income	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period (audited)</b>	1,759,062	140,268	1,899,330	2,593,728	130,117	2,723,845
Issuance of 30,398,345 units (2023: 27,293,782 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	1,670,243	-	1,670,243	4,272,944	-	4,272,944
- Element of income	118,686	-	118,686	(2,711,300)	-	(2,711,300)
<b>Total proceeds on issuance of units</b>	1,788,929		1,788,929	1,561,644	-	1,561,644
Redemption of 19,648,573 units (2023: 41,724,446 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	(1,079,595)	-	(1,079,595)	(2,280,003)	-	(2,280,003)
- Element of loss	(48,867)	(19,497)	(68,364)	(58,638)	(57,750)	(116,388)
<b>Total payments on redemption of units</b>	(1,128,462)	(19,497)	(1,147,959)	(2,338,641)	(57,750)	(2,396,391)
Total comprehensive income for the period	-	218,208	218,208	-	255,454	255,454
<b>Net assets at the end of the period (unaudited)</b>	<u>2,419,529</u>	<u>338,979</u>	<u>2,758,508</u>	<u>1,816,731</u>	<u>327,821</u>	<u>2,144,552</u>
<b>Accumulated income brought forward</b>						
- Realised gain		137,638			153,352	
- Unrealised gain / (loss)		2,630			(23,235)	
		<u>140,268</u>			<u>130,117</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		52,008			347	
- Excluding capital gains		146,703			197,357	
		<u>198,711</u>			<u>197,704</u>	
Accumulated income carried forward		<u>338,979</u>			<u>327,821</u>	
<b>Accumulated income carried forward</b>						
- Realised income		340,413			334,169	
- Unrealised (loss)		(1,434)			(6,348)	
		<u>338,979</u>			<u>327,821</u>	
		<b>-- (Rupees) --</b>			<b>-- (Rupees) --</b>	
Net assets value per unit at the beginning of the period	<u>54.9452</u>			<u>54.6443</u>		
Net assets value per unit at the end of the period	<u>60.8707</u>			<u>60.5529</u>		

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

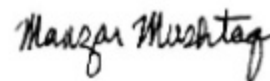
For MCB Investment Management Limited  
(Management Company)



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
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		218,208	255,454
<b>Adjustment for:</b>			
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.5	1,434	6,348
		219,642	261,802
<b>Decrease / (increase) in assets</b>			
Investments - net		(110,742)	(109,808)
Mark-up receivables		63,565	(17,605)
Advances, deposits, prepayments and other receivables		(4,131)	(587)
Receivable against sale of investments		201,739	-
		150,431	(128,000)
<b>Increase in liabilities</b>			
Payable to MCB Investment Management Limited - Management Company		1,402	(3,944)
Payable to Central Depository Company of Pakistan Limited - Trustee		44	(45)
Payable to the Securities and Exchange Commission of Pakistan		36	(517)
Payable against purchase of investments		88,343	424,927
Accrued expenses and other liabilities		(40,172)	(4,203)
		49,653	416,218
<b>Net cash generated from operating activities</b>		419,726	550,020
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		1,788,929	1,561,644
Payments against redemption and conversion of units		(1,147,959)	(2,396,391)
<b>Net cash generated from / (used in) financing activities</b>		640,970	(834,747)
<b>Net decrease in cash and cash equivalents during the period</b>		1,060,696	(284,727)
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>	15	1,495,758	758,210

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

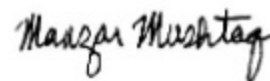
For MCB Investment Management Limited  
(Management Company)



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 Pakistan Income Fund (the Fund) was established through a Trust Deed executed between MCB Investment Management Limited, as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated January 25, 2011 consequent to which Trust Deed was executed on March 07, 2011 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provisional Trust Act namely "Sindh Trusts Act, 2021" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund was registered under the Sindh Trust Act on August 13, 2021.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 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.
- 1.4 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.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of "AM1" dated October 04, 2024 (2023: "AM1" dated October 6, 2023) to the Management Company and "AA-(f)" as stability rating dated August 30, 2024 (2023: "AA-(f)" as stability rating dated March 2, 2023) to the Fund. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6 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

### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (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 International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. 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 annual published audited financial statements of the Fund for the year ended June 30, 2024.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at and for the six months period ended December 31, 2024.

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

3.1 The material 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 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 are the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2024.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements of the Fund as at and for the year ended June 30, 2024.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited 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 amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statement except for:

- The new standard - IFRS 18 Presentation and Disclosure in the Financial statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
4 BALANCES WITH BANKS		----- (Rupees in '000) -----	
- In savings accounts	4.1	161,744	126,905
- In current accounts	4.2	17,548	9,504
		179,292	136,409

4.1 These carry mark-up at the rate of 11.50% per annum (June 30, 2024: 19.00% to 20.50% per annum) and includes Rs 0.36 million (June 30, 2024: Rs 1.62 million) maintained with MCB Bank Limited (a related party) which carries mark-up at the rate of 11.50% (June 30, 2024: 19.5%) per annum.

4.2 This include a balance held with MCB Bank Limited (a related party) of Rs 17.54 million (June 30, 2024: Rs 9.49 million).

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

		Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
			----- (Rupees in '000) -----	
<b>5</b>	<b>INVESTMENTS</b>			
	<b>Investments at 'fair value through profit or loss'</b>			
	Government securities	5.1	2,883,520	1,756,123
	Term finance certificates - unlisted	5.2	403,924	404,200
	Term finance certificates - listed	5.3	-	-
			<u>3,287,444</u>	<u>2,160,323</u>
<b>5.1</b>	<b>Government securities</b>			
	Market Treasury Bills	5.1.1	2,374,557	501,294
	Pakistan Investment Bonds - Floating Rate Bond (FRB)	5.1.2	485,375	579,480
	Pakistan Investment Bonds	5.1.3	-	330,647
	GoP Ijarah Sukuks certificates	5.1.4	23,588	344,702
			<u>2,883,520</u>	<u>1,756,123</u>

**5.1.1 Market Treasury Bills**

Tenor	Issue Date	Maturity Date	Face value				December 31, 2024			Market value as a percentage of	
			As at July 01, 2024	Purchased during the period	Matured / sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total market value of investments
						(Rupees in '000)			(% )		
<b>Market Treasury Bills</b>											
- 3 months	April 18, 2024	July 11, 2024	300,000	-	300,000	-	-	-	-	-	
- 3 months	May 30, 2024	August 22, 2024	-	800,000	800,000	-	-	-	-	-	
- 3 months	July 11, 2024	October 3, 2024	-	250,000	250,000	-	-	-	-	-	
- 3 months	August 8, 2024	October 31, 2024	-	350,000	350,000	-	-	-	-	-	
- 3 months	August 22, 2024	November 14, 2024	-	250,000	250,000	-	-	-	-	-	
- 3 months	September 5, 2024	November 28, 2024	-	575,000	575,000	-	-	-	-	-	
- 3 months	October 17, 2024	January 9, 2025	-	250,000	250,000	-	-	-	-	-	
- 3 months	October 31, 2024	January 23, 2025	-	250,000	250,000	-	-	-	-	-	
- 3 months	November 14, 2024	February 6, 2025	-	760,000	760,000	-	-	-	-	-	
- 3 months	November 28, 2024	February 20, 2025	-	250,000	250,000	-	-	-	-	-	
- 3 months	December 12, 2024	March 6, 2025	-	500,000	500,000	-	-	-	-	-	
- 3 months*	December 26, 2024	March 20, 2025	-	2,350,000	1,000,000	1,350,000	1,316,729	1,316,466	(263)	47.72	
<b>Market Treasury Bills</b>											
- 6 months	April 4, 2024	October 3, 2024	-	1,600,000	1,600,000	-	-	-	-	-	
- 6 months	July 11, 2024	January 9, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	July 25, 2024	January 23, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	August 8, 2024	February 6, 2025	-	350,000	350,000	-	-	-	-	-	
- 6 months	August 22, 2024	February 20, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months**	September 5, 2024	March 6, 2025	-	1,800,000	1,050,000	750,000	736,104	735,974	(130)	26.68	
- 6 months	October 3, 2024	April 3, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	October 17, 2024	April 17, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	October 31, 2024	May 2, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	November 14, 2024	May 15, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	November 28, 2024	May 29, 2025	-	250,000	250,000	-	-	-	-	-	
- 6 months	December 12, 2024	June 12, 2025	-	500,000	500,000	-	-	-	-	-	
<b>Market Treasury Bills</b>											
- 12 months	October 19, 2023	October 17, 2024	-	2,950,000	2,950,000	-	-	-	-	-	
- 12 months	November 2, 2023	October 31, 2024	-	2,245,000	2,245,000	-	-	-	-	-	
- 12 months	November 30, 2023	November 28, 2024	-	150,000	150,000	-	-	-	-	-	
- 12 months	December 28, 2023	December 26, 2024	-	8,140,000	8,140,000	-	-	-	-	-	
- 12 months	January 11, 2024	January 9, 2025	50,000	50,000	100,000	-	-	-	-	-	
- 12 months	January 25, 2024	January 23, 2025	175,000	-	175,000	-	-	-	-	-	
- 12 months	April 4, 2024	April 3, 2025	-	59,490	59,490	-	-	-	-	-	

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

Tenor	Issue Date	Maturity Date	Face value				December 31, 2024			Market value as a percentage of	
			As at July 01, 2024	Purchased during the period	Matured / sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total market value of investments
(Rupees in '000)											
( % )											
- 12 months***	June 27, 2024	June 26, 2025	-	1,000,000	900,000	100,000	94,170	94,573	403	3.43	2.88
- 12 months	July 11, 2024	July 10, 2025	-	5,420,000	5,420,000	-	-	-	-	-	-
- 12 months	July 25, 2024	July 24, 2025	-	15,400,000	15,400,000	-	-	-	-	-	-
- 12 months	August 8, 2024	August 7, 2025	-	350,000	350,000	-	-	-	-	-	-
- 12 months****	August 22, 2024	August 21, 2025	-	620,305	620,000	305	281	283	2	0.01	0.01
- 12 months	September 5, 2024	September 4, 2025	-	500,000	500,000	-	-	-	-	-	-
- 12 months	October 3, 2024	October 2, 2025	-	1,020,000	1,020,000	-	-	-	-	-	-
- 12 months	October 17, 2024	October 16, 2025	-	250,000	250,000	-	-	-	-	-	-
- 12 months*****	October 31, 2024	October 30, 2025	-	2,150,000	1,900,000	250,000	228,024	227,261	(763)	8.24	6.91
- 12 months	November 28, 2024	November 27, 2025	-	250,000	250,000	-	-	-	-	-	-
- 12 months	December 12, 2024	December 11, 2025	-	2,300,000	2,300,000	-	-	-	-	-	-
<b>Total as at December 31, 2024</b>							<u>2,375,308</u>	<u>2,374,557</u>	<u>(751)</u>		
<b>Total as at June 30, 2024</b>							<u>501,220</u>	<u>501,294</u>	<u>75</u>		

\* These will mature latest by March 20, 2025 carrying effective yield rate of 11.88%.

\*\* These will mature latest by March 6, 2025 carrying effective yield rate of 11.88%.

\*\*\* These will mature latest by June 26, 2025 carrying effective yield rate of 11.90%.

\*\*\*\* These will mature latest by August 21, 2025 carrying effective yield rate of 12.10%.

\*\*\*\*\* These will mature latest by October 30, 2025 carrying effective yield rate of 12.08%.

**5.1.2 Pakistan Investment Bond - Floating Rate Bond (FRB)**

Tenor	Issue Date	Maturity Date	Profit rate %	Face value				December 31, 2024			Market value as a percentage of	
				As at July 01, 2024	Purchased during the period	Matured / sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total market value of investments
(Rupees in '000)												
( % )												
<b>Pakistan Investment Bond</b>												
- 5 Years	April 18, 2024	April 18, 2029	21.30%	600,000	1,250,000	1,850,000	-	-	-	-	-	
- 5 Years*	June 27, 2024	June 27, 2029	19.99%	-	3,525,000	3,275,000	250,000	242,648	241,650	(998)	8.76 7.35	
- 5 Years	September 5, 2024	September 5, 2029	17.70%	-	250,000	250,000	-	-	-	-	-	
- 5 Years**	October 3, 2024	October 3, 2029	15.25%	-	1,800,000	1,550,000	250,000	243,861	243,725	(136)	8.84 7.41	
<b>Total as at December 31, 2024</b>							<u>486,509</u>	<u>485,375</u>	<u>(1,134)</u>			
<b>Total as at June 30, 2024</b>							<u>577,607</u>	<u>579,480</u>	<u>1,873</u>			

\*This will mature latest by June 27, 2029 carrying effective rate 21.032%.

\*\*This will mature latest by October 3, 2029 carrying effective rate 15.986%.

**5.1.3 Pakistan Investment Bond**

Tenor	Issue Date	Maturity Date	Profit rate %	Face value				December 31, 2024			Market value as a percentage of	
				As at July 01, 2024	Purchased during the period	Matured / sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of investments
(Rupees in '000)												
( % )												
<b>Pakistan Investment Bond</b>												
- 2 Years	September 20, 2024	September 20, 2026	12.82%	-	625,000	625,000	-	-	-	-	-	
- 3 Years	February 15, 2024	February 15, 2027	14.00%	350,000	850,000	1,200,000	-	-	-	-	-	
- 3 Years	July 4, 2023	July 4, 2026	12.00%	-	250,000	250,000	-	-	-	-	-	
- 3 Years	September 20, 2024	September 20, 2027	14.00%	-	600,000	600,000	-	-	-	-	-	
- 5 Years	September 20, 2024	September 20, 2029	14.00%	-	500,000	500,000	-	-	-	-	-	
- 10 Years	September 20, 2024	September 20, 2034	13.00%	-	250,000	250,000	-	-	-	-	-	
<b>Total as at December 31, 2024</b>							<u>-</u>	<u>-</u>	<u>-</u>			
<b>Total as at June 30, 2024</b>							<u>330,516</u>	<u>330,647</u>	<u>131</u>			

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

**5.1.4 GoP Ijarah Sukuks certificates**

Name of the security	Tenor	Issue date	Maturity date	Profit rate / yield %	Face value				Balance as at December 31, 2024			Market value as a percentage of		
					As at July 01, 2024	Purchased during the period	Matured / sold during the period	As at December 31, 2024	Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total market value of investments	
(Rupees in '000)														
GoP Ijarah Sukuks Certificates -PSX - FRR	1 year	March 15, 2024	March 15, 2025	18.51%	22,000	-	22,000	-	-	-	-	-	-	-
GoP Ijarah Sukuks Certificates -XXXVIII - VRR	1 year	September 20, 2023	September 20, 2024	18.39%	125,000	-	125,000	-	-	-	-	-	-	-
GoP Ijarah Sukuks Certificates -XL - VRR	1 year	December 4, 2023	December 4, 2024	19.86%	25,000	-	25,000	-	-	-	-	-	-	-
GoP Ijarah Sukuks Certificates -PSX - FRR	1 year	July 26, 2024	July 25, 2025	17.25%	-	25,000	-	25,000	22,936	23,588	652	0.86	0.72	
GoP Ijarah Sukuks Certificates -PSX - FRR	1 year	August 16, 2024	August 15, 2024	15.40%	-	50,000	50,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	1 year	October 21, 2024	October 20, 2025	11.43%	-	125,000	125,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	1 year	November 7, 2024	November 6, 2025	10.72%	-	250,000	250,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	1 year	December 4, 2024	December 3, 2025	10.72%	-	500,000	500,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	3 years	January 24, 2024	January 24, 2027	16.05%	37,500	-	37,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	3 years	June 28, 2024	June 28, 2027	15.80%	-	75,000	75,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX-FRR	3 years	September 18,2024	September 18,2027	13.89%	-	62,500	62,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	3 years	October 21, 2024	October 21, 2027	12.00%	-	125,000	125,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	3 years	January 24, 2024	January 24, 2027	19.83%	37,500	-	37,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	3 years	June 28, 2024	June 28, 2027	19.64%	-	75,000	75,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	3 years	September 18,2024	September 18,2027	17.32%	-	62,500	62,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	3 years	October 21, 2024	October 21, 2027	13.59%	-	125,000	125,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	5 years	January 24, 2024	January 24, 2029	15.49%	62,500	-	62,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	5 years	June 28, 2024	June 28, 2029	15.10%	-	75,000	75,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	5 years	September 18,2024	September 18,2029	13.85%	-	62,500	62,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - FRR	5 years	October 21, 2024	October 21, 2029	12.53%	-	187,500	187,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	5 years	January 24, 2024	January 24, 2029	19.96%	37,500	-	37,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	5 years	June 28, 2024	June 28, 2029	19.63%	-	75,000	75,000	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	5 years	September 18,2024	September 18,2029	17.49%	-	62,500	62,500	-	-	-	-	-	-	
GoP Ijarah Sukuks Certificates -PSX - VRR	5 years	October 21, 2024	October 21, 2029	13.75%	-	187,500	187,500	-	-	-	-	-	-	
<b>Total as at December 31, 2024</b>									<b>22,936</b>	<b>23,588</b>	<b>652</b>			
<b>Total as at June 30, 2024</b>									<b>344,395</b>	<b>344,702</b>	<b>307</b>			

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

**5.2 Term Finance Certificates - unlisted**

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

Name of investee company	Profit rate %	Number of Certificates				December 31, 2024			Market value as a percentage of	
		As at July 1, 2024	Purchased during the period	Matured / sold during the	As at December 31, 2024	Carrying value	Market value	Unrealised (diminution) / appreciation	Net assets of the Fund	Total market value of investments
					----- Rupees in '000 -----			----- % -----		
<b>Commercial Banks</b>										
Askari Bank Limited *	13.39%	30	-	-	30	29,850	29,850	-	1.08	0.91
Bank AL Habib Limited **	16.18%	41,000	-	-	41,000	201,683	201,683	-	7.31	6.13
The Bank of Punjab ***	15.78%	1,730	-	-	1,730	172,592	172,391	(201)	6.25	5.24
<b>Total as at December 31, 2024</b>						<u>404,125</u>	<u>403,924</u>	<u>(201)</u>		
<b>Total as at June 30, 2024</b>						<u>403,954</u>	<u>404,200</u>	<u>246</u>		

Nominal value of these term finance certificates is Rs. 100,000 per certificate.

\*These will be matured latest by March 17, 2030.

\*\*These will be matured latest by September 30, 2031.

\*\*\*These will be matured latest by April 23, 2028.

**5.3 Term Finance Certificates - Listed**

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

Name of the security	Number of Certificates				Balance as at December 31, 2024			Market value as a percentage of		
	As at July 1, 2024	Purchased during the year	Matured / sold during the year	As at Dec 31, 2024	Carrying value	Market value	Unrealised appreciation	Net assets of the fund	Total market value of investments	
					----- (Rupees in '000) -----			----- % -----		
<b>Investment Banks / Investment Companies / Securities Companies</b>										
Trust Investment Bank Limited	10,000	-	-	10,000	18,743	-	-	-	-	
Less: Provision for impairment (see note 5.3.1)	-	-	-	-	(18,743)	-	-	-	-	
<b>Miscellaneous</b>										
Pace Pakistan Limited	10,000	-	-	10,000	49,940	-	-	-	-	
Less: Provision for impairment (see note 5.3.1)	-	-	-	-	(49,940)	-	-	-	-	
<b>Technology &amp; Communication</b>										
Telecard Limited	19,975	-	-	19,975	13,989	-	-	-	-	
Less: Provision for impairment (see note 5.3.1)	-	-	-	-	(13,989)	-	-	-	-	
<b>Total as at December 31, 2024</b>						<u>-</u>	<u>-</u>	<u>-</u>		
<b>Total as at June 30, 2024</b>						<u>-</u>	<u>-</u>	<u>-</u>		

**5.3.1 DETAILS OF NON-COMPLIANT INVESTMENTS WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at December 31, 2024, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer at the time of repayment of coupon due on the respective dates.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets of the Fund	Percentage of total market value of investments
					----- Rupees in '000 -----	
<b>Listed debt securities</b>						
Trust Investment Bank Limited	TFC	18,743	(18,743)	-	-	-
Pace Pakistan Limited	TFC	49,940	(49,940)	-	-	-
Telecard Limited	TFC	13,989	(13,989)	-	-	-

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

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 instalments with maturity in December 2028. During the period, an amount equal to Rs. 3.109 million (December 31, 2023: Rs. 3.109 million) payment has been received.

- 5.4 Significant terms and conditions of term finance certificates and other securities outstanding at the period end are as follows:

Name of security	Number of certificates	Face value per certificate	Face value / redemption value in total	Interest rate per annum	Maturity	Secured / unsecured	Rating
		Rupees	Rupees				
<b>Unlisted debt securities</b>							
Bank Al Habib Limited - TFC	41,000	5,000	4,995	6 months KIBOR + 0.75%	September 30, 2031	Unsecured	AAA
The Bank of Punjab	1,730	100,000	99,760	6 months KIBOR + 1.25%	April 23, 2028	Unsecured	AA
Askari Bank Limited	30	1,000,000	1,000,000	3 months KIBOR + 1.2%	March 17, 2030	Unsecured	AA

- 5.5 **Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'**

	Note	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
		-----	-----
		(Rupees in '000)	
Market value of investments	5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.2, & 5.3	3,287,444	1,749,669
Carrying value of investments	5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.2, & 5.3	<u>(3,288,878)</u>	<u>(1,756,017)</u>
		<u>(1,434)</u>	<u>(6,348)</u>

- 6 **MARK-UP RECEIVABLES**

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
		-----	-----
		(Rupees in '000)	
Mark-up receivables on:			
- Term finance certificates (un-listed)		13,828	19,445
- Pakistan Investment Bonds		-	18,577
- Pakistan Investment Bonds - Floating Rate Bond (FRB)		9,834	25,727
- GoP Ijarah Sukuks certificates		-	20,613
- Savings accounts		<u>1,654</u>	<u>4,519</u>
		<u>25,316</u>	<u>88,881</u>

- 7 **ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Advance tax	7.1	4,496	5,769
Deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
- Central Depository Company of Pakistan Limited (CDC)		200	200
Prepayments		-	296
Receivable from the National Clearing Company of Pakistan Limited (NCCPL)		12,022	5,610
Other receivables		<u>37</u>	<u>749</u>
		<u>19,255</u>	<u>15,124</u>

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

- 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 sections 151 and 150 of the Income Tax Ordinance, 2001. However, during prior years, withholding tax on interest on debt securities and mark-up on savings accounts with banks paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on interest on debt securities and mark-up on savings accounts with banks amounts to Rs. 4.50 million (2023: Rs. 5.77 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on interest on debt securities and mark-up on savings accounts with bank has been shown as advance tax as at December 31, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
<b>8 PAYABLE TO MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	8.1	4,155	1,599
Sindh Sales Tax payable on remuneration of the Management Company	8.2	623	208
Allocated expenses payable	8.3	-	133
Sindh Sales Tax payable on allocated expense	8.4	-	-
Selling and marketing expenses payable	8.5	-	1,622
Sales load payable		208	22
		<u>4,986</u>	<u>3,584</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 0.86% to 10.00% per annum of the gross earnings in the month of July 01, 2024 and August 31, 2024 (December 31, 2023: 0.50% to 10% per annum on gross earnings). As per the amendment in the offering document, the Management company with effect from September 02, 2024 has charged management fee at the rate upto 2.00% of Net assets of the schemes, calculated on daily basis. From September 02, 2024, the Management company has charged management fee ranging from 0.80% to 2.00% per annum of the daily net assets. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby the rate of sindh sales tax has increased from 13% to 15% per annum. Accordingly, during the period, an amount of Rs. 2.57 million (December 31, 2023: Rs. 1.83 million) has been charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 15% (2023: 13%) and an amount of Rs. 2.16 million (December 31, 2023: Rs. 1.57 million) has been paid on account of sales tax on management fee to the Management Company which acts as a collecting agent.
- 8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).  
  
The Management Company has charged such expenses at the rates ranging from 0.02% to 0.25% (December 31, 2023: 0.1% to 3.67%) per annum of the average annual net assets of the Fund subject to not being higher than actual expenses.
- 8.4 The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby it is clarified that "consideration in money" also includes any amount of reimbursable expenditure and charged in the course of provision of a service. Accordingly, during the period, an amount of Rs. 0.06 million was charged on account of sales tax on allocated expense levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 15% and an amount of Rs. 0.06 million has been paid on account of sales tax on allocated expense to the Management Company which acts as a collecting agent.

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

- 8.5 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) subject to the condition that the expense charged remains within the Fund's total expense ratio limit, as defined under the NBFC Regulations and not being higher than the actual expenses. The Management Company has not charged selling and marketing expenses during the current period.

	<b>Note</b>	<b>December 31, 2024 (Un-audited)</b>	<b>June 30, 2024 (Audited)</b>
		----- <b>(Rupees in '000)</b> -----	
<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	9.1	160	124
Sindh Sales Tax payable on trustee remuneration	9.2	24	16
		<u>184</u>	<u>140</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (December 31, 2023: 0.075%) per annum of the average annual net assets of the Fund.

- 9.2 The Sindh Finance Act, 2024 has introduced an amendment to the Sindh Sales Tax on Services Act, 2011, whereby the rate of sindh sales tax has increased from 13% to 15% per annum. Accordingly, during the period, an amount of Rs. 0.12 million (December 31, 2023: Rs. 0.12 million) has been charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 15% (December 31, 2023: 13%) and an amount of Rs. 0.11 million (December 31, 2023: Rs. 0.13 million) was paid to the Trustee which acts as a collecting agent.

	<b>Note</b>	<b>December 31, 2024 (Un-audited)</b>	<b>June 30, 2024 (Audited)</b>
		----- <b>(Rupees in '000)</b> -----	
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Fee payable	10.1	<u>160</u>	<u>124</u>

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.075% per annum of the daily net assets of the Fund, applicable to an "Income Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (December 31, 2023: 0.075%) per annum of the daily net assets during the period.

The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	<b>Note</b>	<b>December 31, 2024 (Un-audited)</b>	<b>June 30, 2024 (Audited)</b>
		----- <b>(Rupees in '000)</b> -----	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for federal excise duty payable on			
- Remuneration of the Management Company	11.1	9,210	9,210
- Sales load		239	239
Brokerage payable		357	34
Withholding tax payable		313	4,993
Auditors' remuneration payable		607	823
Other payables		592	36,191
		<u>11,318</u>	<u>51,490</u>

- 11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company, sales load and related taxes with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.45 million (June 30, 2024: Rs. 9.45 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2024 would have been higher by Re 0.21 per unit (June 30, 2024: Re 0.27 per unit).

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2024 and June 30, 2024.

### 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 has distributed the required minimum percentage of income earned by the Fund for the period ended December 31, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these interim financial statements during the period.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11(A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 14 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2024 is 2.31% (December 31, 2023: 2.42%) which includes 0.34% (December 31, 2023: 0.24%) representing government levies on the Fund such as sales taxes, annual fee to SECP etc. The prescribed limit for the ratio is 2.5% (December 31, 2023: 2.5%) under the NBFC Regulations for a collective investment scheme categorised as a "income scheme". However, collective investment scheme categorised as a "income scheme" which invest in Margin Trading System (MTS) and / or ready future spread transaction, may charge additional MTS and / or ready future spread transaction related expenses upto 0.5% of Net assets to the Scheme. Accordingly, the enhanced prescribed limit for the ratio after incorporating the aforementioned additional expenses is 3% (December 31, 2023: 3%).

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
----- (Rupees in '000) -----			
<b>15 CASH AND CASH EQUIVALENTS</b>			
Balances with banks	4	179,292	136,409
Market Treasury Bills	5.1.1	1,316,466	298,653
		1,495,758	435,062

### 16 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Allocated expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at half year ended are as follows:

16.1 Details of transactions with the related parties / connected person are as follows:	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
	----- (Rupees in '000) -----	
<b>MCB - Investment Management Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	19,720	15,926
Allocated expenses including indirect taxes	460	1,907
Selling and marketing expenses	-	8,568
Units issued to unitholder on behalf of the Management Company*	2,265	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable (including indirect taxes)	940	1,063
CDC settlement charges	48	10
<b>Group / associated companies:</b>		
<b>MCB Bank Limited - Parent of the Management Company</b>		
Mark-up on savings accounts with banks	222	40
Bank charges	10	13

\* This represents amount reimbursed by the Management Company in the form of dividend to identified unit holders of the Fund in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses as per the direction of Securities and Exchange Commission of Pakistan.

16.2 Balances outstanding at period / year end	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	----- (Rupees in '000) -----	
<b>MCB - Investment Management Limited - Management Company</b>		
Management remuneration payable	4,155	1,599
Sindh Sales Tax payable on remuneration of the Management Company	623	208
Allocated expenses payable	-	133
Selling and marketing expenses payable	-	1,622
Sales load payable	208	22
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	160	124
Sindh Sales Tax payable on trustee remuneration	24	16
Security deposit	200	200
<b>Group / associated companies:</b>		
<b>MCB Bank Limited - Parent of the Management Company</b>		
Balances with banks	17,902	11,121

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

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

For the half year ended December 31, 2024(Un-audited)								
As at July 01, 2024	Issued for cash	Redeemed	As at December 31, 2024	As at July 01, 2024	Issued for cash	Redeemed	As at December 31, 2024	
Units				(Rupees in '000)				
<b>Group / associated companies / undertakings</b>								
MCB Investment Management Limited	-	122	-	122	-	7	-	7
Adamjee Life Assurance Company Limited	-	2,328	-	2,328	-	142	-	142
Adamjee Insurance Co.Ltd. Employees Gratuity Fund	-	8	-	8	-	1	-	-
D.G Khan Cement Company Limited - Employees Provident Fund Trust	-	377	-	377	-	23	-	23
Adamjee Life Assurance Company Limited - Dsf	-	30	-	30	-	2	-	2
Nishat Paper Products Company Limited - Staff Provident Fund Trust	-	3	-	3	-	-	-	-
Security General Insurance Company Limited	-	181	-	181	-	11	-	11
Security General Insurance Company Limited - Employees Provident Fund Trust	154,449	87	-	154,536	8,486	5	-	9,407
<b>Directors and key management personnel of the Management Company</b>	8,893	236,915	198,240	47,568	489	13,443	11,109	2,896
<b>Mandate under discretionary portfolio services</b>	56	637	-	693	3	39	-	42

For the half year ended December 31, 2023(Un-audited)								
As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023	As at July 01, 2023	Issued for cash	Redeemed	As at December 31, 2023	
Units				(Rupees in '000)				
<b>Associated companies / undertakings:</b>								
Adamjee Life Assurance Company Limited	3,399,417	-	3,399,417	-	185,759	-	200,816	-
D.G Khan Cement Company Limited - Employees Provident Fund Trust	550,369	-	550,369	-	30,075	-	30,783	-
Nishat Paper Products Company Limited - Staff Provident Fund Trust	146,625	-	146,625	-	8,012	-	8,114	-
Security General Insurance Company Limited - Employees Provident Fund Trust	127,813	-	-	127,813	6,984	-	-	7,739
<b>Directors and key management personnel of the Management Company</b>	8	79,622	72,169	7,461	-	4,479	4,038	452
<b>Mandate under discretionary portfolio services</b>	-	47	-	47	-	3	-	3

**17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

**17.1 Fair value hierarchy**

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

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

ASSETS	December 31, 2024			
	Unaudited			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	2,374,557	-	2,374,557
Pakistan Investment Bonds	-	485,375	-	485,375
GoP Ijarah Sukuks certificates	23,588	-	-	23,588
Term finance certificates - unlisted	-	403,924	-	403,924
	<u>23,588</u>	<u>3,263,856</u>	<u>-</u>	<u>3,287,444</u>

ASSETS	June 30, 2024			
	Audited			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	501,294	-	501,294
Pakistan Investment Bonds	-	910,127	-	910,127
GoP Ijarah Sukuks certificates	194,667	150,035	-	344,702
Term finance certificates - unlisted	-	404,200	-	404,200
	<u>194,667</u>	<u>1,965,656</u>	<u>-</u>	<u>2,160,323</u>

**18 GENERAL**

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

**19 DATE OF AUTHORISATION FOR ISSUE**

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

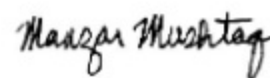
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**MCB INVESTMENT MANAGEMENT LIMITED**

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

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

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