



MCB FUNDS
Investments for Life

ANNUAL REPORT 2025

Funds Under Management of
MCB Investment Management Limited



**MCB PAKISTAN OPPORTUNITY FUND
DIVIDEND YIELD PLAN**

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FUND'S INFORMATION

Management Company	MCB Investment Management Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. 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
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. Muhammad Rohan Khan	
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 Faysal 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 YEAR ENDED JUNE 30, 2025

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Dividend Yield Plan** accounts review for the year June 30, 2025.

Economy Review

The fiscal year commenced on a strong footing as the government secured a staff-level agreement (SLA) with the IMF for a 37-month Extended Fund Facility (EFF) of USD 7.0 billion. Over the course of the period, Pakistan demonstrated fiscal and external discipline, successfully meeting key IMF program targets and benchmarks. Consequently, in March 2025, the IMF team reached an SLA with Pakistani authorities for the first review of the EFF, along with a new 28-month Resilience and Sustainability Facility (RSF), unlocking an additional USD 1.3 billion in funding.

The country posted a current account Surplus of USD 1.8 billion in the first eleven months of the fiscal year 2025 (11MFY25) compared to a deficit of USD 1.6 billion in the corresponding period last year. The major contributor towards improving current account was the remittances inflows which skyrocketed by 28.8% to USD 34.9 billion. Trade Deficit increased by 22.1% YoY as exports rose by 4.0% while imports increased by 11.5% from a low base. The country's external position improved with SBP's foreign exchange reserves increasing to USD 14.5 billion as of Jun-25 end compared to USD 9.4 billion at the end of last fiscal year. This was on account of current account surplus, timely bilateral rollovers and flows from IMF and multilateral sources. The local currency witnessed a modest depreciation as the USD/PKR depreciated by 1.9% to 283.8 during the fiscal year.

Headline inflation represented by CPI averaged 4.6% during FY25 compared to 23.9% 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.

Pakistan's Provisional GDP growth clocked at 2.7% in FY25 with Agricultural, Industrial and Services sectors increasing by 0.6%, 4.8% and 2.9% respectively. The Agriculture posted subpar growth due to high base effect and flood damaging cotton crop. Industrial and services sector growth recovered due to improvement in macroeconomic indicators. On the fiscal side, FBR tax collections rose by 25.9% in FY25, reaching PKR 11,722 billion—against the downward revised target of PKR 11,900 billion, reflecting a shortfall of PKR 178 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

The equity market sustained its positive momentum, with the benchmark KSE-100 Index closing FY25 at a historic high of 125,627 points. The index delivered a stellar full-year return of 60.2% (57.1% in USD terms), marking the second-strongest annual performance in the past 22 years—trailing only FY24's exceptional 89% gain.

The strong market performance was driven by several positive developments, including inflation easing to multi-decade lows and a cumulative 1,100-basis point rate cut by the SBP. Investor confidence was further

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

reinforced by the IMF Board's approval of a USD 7.0 billion EFF program, continued rollover of foreign currency deposits by friendly countries, and a major World Bank lending package under the Country Partnership Framework. Additional tailwinds included government initiatives to address circular debt and the approval of a USD 1.3 billion RSF arrangement. While the last quarter of the fiscal year saw some volatility due to geopolitical tensions—particularly Pakistan-India strains and the Iran-Israel conflict—market sentiment rebounded quickly after a U.S.-brokered ceasefire led to de-escalation, allowing the index to close the year at a record high.

During FY25, Foreign investors were net sellers with an outflow of USD 303.8 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 230.5 million, USD 94.3 million, and USD 69.3 million.

On activity front, average trading volumes for KSE-All Index improved by 44.0% to 633.1 million shares compared to about 439.8 million shares in the last year. While the average trading value saw an increase of 93.5% to near USD 101.4 million in FY25.

The Banking, Fertilizer, and E&P sectors were the major contributors to the index gains, adding 15,155, 9,716, and 6,866 points respectively. Attractive dividend yields amid monetary easing garnered investor interest in the Banking and Fertilizer sectors. The E&P sector also remained in the limelight due to a surprise 800% bonus announcement by MARI and improvements in the liquidity position of circular debt-linked companies.

FUND PERFORMANCE

During the period under review, the fund posted a return of 53.00% against 58.50% for the benchmark. The fund was 86.2% invested in Equities and 13.2% in Cash as at June 30, 2025.

The Net Assets of the Fund as at June 30, 2025 stood at Rs. 844 million. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 260.3844.

Economy & Market – Future Outlook

Going forward we expect GDP growth to clock at 4.1% in FY26. Agriculture Growth is likely to clock at 3.9% as it would recover due to base effect. The lagged impact of interest rate decline would benefit industrial and services sector going forward which are expected to expand by 4.4% and 4.0% respectively.

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 17.4 billion by year end on the back of timely bilateral rollover, and inflows from IMF and multilateral agencies. Our external position has improved which could allow Pakistan to consider re-entering the international capital markets to explore options such as Eurobonds, Sukuk, and Panda bonds.

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 the trend to continue in the medium term. We could witness a measured depreciation in the currency as imports picks up following monetary easing. We expect USD/PKR to close Jun-26 around 304.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

Headline Inflation will stay in low single digits due to decline in food prices and stable currency. The inflation would temporarily rise by the end of FY26 due to base effect. The average inflation in FY26 is expected to be 5.6%. Core inflation has been steadily declining due to stable currency and overall demand dynamics. We expect core inflation to gradually trickle down reaching low single digit by the end of next fiscal year.

On the fiscal side we expect the fiscal deficit to clock in at 4.0% in FY26, which would be the lowest level since FY2006. This marks the fourth consecutive year of budget deficit reduction since it peaked at 7.9% in FY2022. The reduction in finance cost would be a major reason for this reduction. Strict IMF target regarding primary surplus would also play its part in maintaining fiscal discipline.

The SBP has decreased interest rates by a cumulative 1,100bps since June-24 as interest rates have declined to 11.0% from a high of 22.0%. Enhanced external stability, coupled with easing inflationary pressures, created room for this monetary easing. Going forward, while inflationary pressures are likely to remain muted, further rate cuts shall be contingent on strength in foreign exchange reserves.

From the capital market perspective particularly equities, the market is still trading at cheap valuations. Market cap to GDP ratio is at 14.2%, a discount of 23% from its historical average of 18.4%. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies, which trade at a discount to their intrinsic value. The market is currently trading at a forward Price to Earnings ratio of 7.4x, while offering a dividend yield of 7.1%.

Mutual Fund Industry Review

The Net Assets of the open-end mutual funds industry increased by about 43.1% during FY25 to PKR 3,684 billion. Total money market funds grew by about 44.4% since June 2024. Within the money market sphere, conventional funds showed a growth of 55.3% to PKR 977 billion while Islamic funds increased by 34.3% to PKR 912 billion. In addition, the total fixed Income and Fixed Rate funds increased by about 29.2% since June 2024 to PKR 1,242 billion while Equity and related funds increased by 92.3% to PKR 491 billion.

In terms of the segment share, Money Market funds were the leader with a share of around 51.3%, followed by Income and fixed return funds with 33.7% and Equity and Equity related funds having a share of 13.3% as at the end of June 2025.

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.

HOLDING COMPANY

On April 18, 2023, MCB Bank Limited (MCB), being the parent company of MCB-Arif Habib Savings and Investments Limited, has acquired 21,664,167 (30.09%) shares of MCB-Arif Habib Savings & Investment Limited (MCB-AH) from Arif Habib Corporation Limited (AHCL). By virtue of this transaction MCB Bank Limited's shareholding in MCB-AH has increased from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

CORPORATE GOVERNANCE

The Fund is committed to implement the highest standards of corporate governance. The Board comprises of eight (8) members including the Chief Executive Officer (CEO) and has a diverse mix of gender and knowledge. The Board consists of 1 female and 7 male directors, categorized as follows:

- 4 Non – Executive Directors;
- 3 Independent Directors; and
- 1 Executive Director (CEO).

The details of above are as under:

Sr. No.	Name	Status	Membership in other Board Committees
1.	Mr. Haroun Rashid	Non-Executive Director	None
2.	Mr. Muhammad Nauman Chughtai	Non-Executive Director	HR&R* Committee
3.	Mr. Ahmed Jahangir	Non-Executive Director	HR&R* Committee Audit Committee
4.	Mr. Manzar Mushtaq	Non-Executive Director	Audit Committee
5.	Syed Savail Meekal Hussain	Independent Director	Audit Committee (Chairman)
6.	Mr. Fahd Kamal Chinoy	Independent Director	HR&R* Committee (Chairman).
7.	Ms. Mavra Adil Khan	Independent Director	HR&R* Committee
8.	Mr. Khawaja Khalil Shah	Executive Director	HR&R* Committee

* HR&R stands for Human Resource and Remuneration

Management is continuing to comply with the provisions of best practices set out in the code of corporate governance. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The Board of Directors is pleased to report that:

- a. The financial statements, present fairly the state of affairs, the results of operations, cash flows and changes in equity;
- b. Proper books of accounts of the fund have been maintained;
- c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.;

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE YEAR ENDED JUNE 30, 2025**

- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further;
- f. There are no significant doubts upon the fund's ability to continue as going concern;
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- h. The outstanding taxes, statutory charges and duties, if any, have been fully disclosed in the audited financial statements;
- i. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report;
- j. As at June 30, 2025, the Company is in compliance with the requirements of Directors' Training Program, as contained in Regulation No. 19 of the Code;
- k. The detailed pattern of shareholding as on June 30, 2025 is annexed;
- l. A formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and Committees of the Board;
- m. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below are the details of committee meetings held during the year ended June 30, 2025:

1. Meeting of the Audit Committee.

During the year, four (4) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Syed Savail Meekal Hussain	4	4	4	-
2. Mr. Ahmed Jahangir	4	4	4	-
3. Mr. Manzar Mushtaq	4	4	4	-

2. Meeting of the Human Resource and Remuneration Committee.

During the year, three (3) meeting of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE YEAR ENDED JUNE 30, 2024**

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Fahd Kamal Chinoy	3	3	3	-
2. Mr. Shoaib Mumtaz*	3	2	2	-
3. Mr. Muhammad Nauman Chughtai**	3	1	1	-
4. Mr. Ahmed Jahangir	3	3	2	1
5. Ms. Mavra Adil Khan	3	3	2	1
6. Mr. Khawaja Khalil Shah	3	3	3	-

* Resigned on December 21, 2024

** Appointed on January 06, 2025

- n. The trades in the Units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

S. No.	Name	Designation	Investment	Redemption	Dividend Distribution
			(Number of Units)		
1	Muhammad Nauman Chughtai	Director	11.21	53,981.88	13.09

EXTERNAL AUDITORS

The Fund's external auditor's **M/s. BDO Ebrahim & Co. Chartered Accountant** have retired after completion of audit for Financial Year ended June 30, 2025. The Audit Committee has recommended re-appointment of **M/s. BDO Ebrahim & Co. Chartered Accountant** as external auditors of the Fund for financial year ending June 30, 2026 and the Board has also endorsed the recommendation of the Audit Committee. **M/s. BDO Ebrahim & Co. Chartered Accountant** has also expressed their willingness to act as the Fund's external auditors.

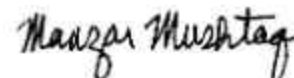
ACKNOWLEDGMENT

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
August 04, 2025



Manzar Mushtaq
Director
August 04, 2025

ڈائریکٹرز رپورٹ

n. فنڈ کے یونٹس میں تجارت سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرنل آڈیٹر اور ان کی شریک حیات اور تابالغ بچوں کے ذریعے کی گئی۔

نمبر شمار	نام	عہدہ	سرمایہ کاری	سرمایہ کاری جو نکال لی گئی	ڈیویڈنڈ کی تقسیم
					یونٹس کی تعداد
1	محمد نعمان چغتائی	ڈائریکٹر	11.21	53,981.88	13.09

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز M/s بی ڈی او چارٹرڈ اکاؤنٹنٹس 30 جون 2025ء کو ختم ہونے والے مالی سال کے مکمل ہونے کے بعد ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی نے 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے M/s بی ڈی او چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش پیش کی ہے، جس کی بورڈ نے بھی توثیق کی ہے۔ M/s بی ڈی او چارٹرڈ اکاؤنٹنٹس نے بھی فنڈ کے خارجی آڈیٹرز کی حیثیت سے کام کرنے کے لیے رضامندی ظاہر کی ہے۔

اظہار تشکر

فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے بورڈ اُن کا شکریہ ادا کرتا ہے۔ مزید برآں، ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو خراج تحسین پیش کرتے ہیں۔

منجانب ڈائریکٹرز،

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

04 اگست 2025ء

Mansoor Mushtaq

خواجہ خلیل شاہ

چیف ایگزیکٹو آفیسر

04 اگست 2025ء

ڈائریکٹرز رپورٹ

1. آڈٹ کمیٹی کی میٹنگ

دوران سال، ہیومن ریسورس اور ریویو نریشن کمیٹی کی چار (4) میٹنگ ہوئیں۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد				
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری	میٹنگز کی تعداد	شخص کا نام
-	4	4	4	1. جناب سید ساویل میال حسین
-	4	4	4	2. جناب احمد جہانگیر
-	4	4	4	3. جناب منظر مشتاق

2. ہیومن ریسورس اور ریویو نریشن کمیٹی کی میٹنگ

دوران سال، ہیومن ریسورس اور ریویو نریشن کمیٹی کی تین (3) میٹنگ ہوئیں۔ شرکاء کی حاضری مندرجہ ذیل ہے:

میٹنگز کی تعداد				
منظور شدہ چھٹی	حاضری	مطلوبہ حاضری	میٹنگز کی تعداد	شخص کا نام
-	3	3	3	1. جناب فہد کمال چنائے
-	2	2	3	2. جناب شعیب ممتاز *
-	1	1	3	3. جناب محمد نعمان چغتائی **
1	2	3	3	4. جناب احمد جہانگیر
1	2	3	3	5. محترمہ ماوراء عادل خان
-	3	3	3	6. جناب خواجہ خلیل شاہ

* 21 دسمبر 2024ء کو مستعفی ہو گئے

** 06 جنوری 2025ء کو تقرر ہوئی

ڈائریکٹرز رپورٹ

- بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ مندرجہ ذیل امور رپورٹ کر رہے ہیں:
- a. مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور اس کی ایکویٹی میں تبدیلیوں کو منصفانہ انداز میں پیش کرتے ہیں؛
- b. فنڈ کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں؛
- c. مالیاتی گوشواروں کی تیاری میں (مالیاتی گوشواروں سے منسلک اہم نکات میں مذکور) موزوں اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛
- d. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، نان بینکنگ فنانس کمپنیز (اسٹیلشمنٹ اینڈ ریگولیشنز) رولز، 2003، نان بینکنگ فنانس کمپنیز اینڈ ٹائیٹا ایڈ ریگولیشن 2008، متعلقہ ٹرسٹ ڈیڈز کے تقاضے اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔
- e. انٹرنل کنٹرول کا نظام مضبوط خطوط پر استوار ہے اور اس کا موثر نفاذ اور نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں؛
- f. فنڈ کے کاروبار جاری رکھنے کی صلاحیت میں کوئی شبہات نہیں ہیں؛
- g. لسٹنگ ضوابط میں تفصیلاً بیان کردہ کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں کیا گیا ہے؛
- h. واجب الاداء ٹیکسز، قانونی چارجز اور ڈیوٹیز، اگر کوئی ہیں تو، کو آڈٹ شدہ مالیاتی گوشواروں میں مکمل طور پر ظاہر کر دیا گیا ہے؛
- i. پراویڈنٹ/گریجویٹی اور پنشن فنڈ کی سرمایہ کاری کی قدر کا بیان فنڈ پر لاگو نہیں ہوتا لیکن مینجمنٹ کمپنی پر لاگو ہوتا ہے۔ اس لیے ڈائریکٹرز کی رپورٹ میں کوئی انکشاف نہیں کیا گیا ہے۔
- j. 30 جون 2025ء کو کمپنی ضابطہ اخلاق کے ریگولیشن نمبر 19 میں بیان کردہ ڈائریکٹرز ٹریننگ پروگرام کے تقاضوں پر عمل پیرا ہے؛
- k. 30 جون 2025ء کو حصص یافتگی کا تفصیلی خاکہ ملحق ہے؛
- l. بورڈ اور اس کے ارکان اور کمیٹیوں کی کارکردگی کی سالانہ جانچ کے لیے ایک باضابطہ اور موثر طریقہ کار نافذ کیا گیا ہے؛
- m. بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ ذیل میں سال ختمہ 30 جون 2025 کے دوران منعقدہ کمیٹی کے اجلاسوں کی تفصیلات درج ہیں۔

ڈائریکٹرز رپورٹ

کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو نافذ کرنے کے لیے پرعزم ہے۔ بورڈ آف ڈائریکٹرز (8) ارکان پر مشتمل ہے، بشمول چیف ایگزیکٹو آفیسر (سی ای او)۔ یہ ارکان صنف اور علم کا ایک متنوع امتزاج ہیں۔ بورڈ میں 1 خاتون اور 7 مرد ڈائریکٹرز شامل ہیں، جن کی زمرہ بندی درج ذیل ہے:

* 4 نان-ایگزیکٹو ڈائریکٹرز؛

* 3 انڈپینڈنٹ ڈائریکٹرز؛ اور

* 1 ایگزیکٹو ڈائریکٹر (سی ای او)۔

تفصیل درج ذیل ہے:

نمبر شمار	نام	حیثیت	دیگر بورڈ کمیٹیوں میں رکنیت
1.	جناب ہارون رشید	نان-ایگزیکٹو ڈائریکٹر	کوئی نہیں
2.	جناب محمد نعمان چغتائی	نان-ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
3.	جناب احمد جہانگیر	نان-ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی، آڈٹ کمیٹی
4.	جناب منظر مشتاق	نان-ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	جناب سید ساویل میکال حسین	انڈپینڈنٹ ڈائریکٹر	آڈٹ کمیٹی (چیئر مین)
6.	جناب فہد کمال چنائے	انڈپینڈنٹ ڈائریکٹر	ایچ آر اینڈ آر کمیٹی (چیئر مین)
7.	محترمہ ماوراء عادل خان	انڈپینڈنٹ ڈائریکٹر	ایچ آر اینڈ آر کمیٹی
8.	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آر اینڈ آر کمیٹی

* 'ایچ آر اینڈ آر ہیومن ریسورس اینڈ ریویژن کمیشن کا مخفف ہے

انتظامیہ کارپوریٹ گورننس کے ضابطہ میں متعین بہترین طریقوں کی دفعات کی تعمیل جاری رکھے ہوئے ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے لیے پرعزم ہے، جس میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی واضح وضاحت کی گئی ہے۔

ڈائریکٹرز رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن-اینڈ میوچل فنڈز کی صنعت کے net اثاثہ جات مالی سال 2025ء کے دوران تقریباً 43.1 فیصد بڑھ کر 3,684 بلین روپے ہو گئے۔ منی مارکیٹ کے گل فنڈز میں جون 2024ء کے بعد سے تقریباً 44.4 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز 55.3 فیصد بڑھ کر 977 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 34.3 فیصد بڑھ کر 912 بلین روپے ہو گئے۔ مزید براں، گل فیکسڈ انکم اور فیکسڈ ریٹ فنڈز جون 2024ء کے بعد سے تقریباً 29.2 فیصد بڑھ کر 1,242 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 92.3 فیصد بڑھ کر 491 بلین روپے ہو گئے۔ شعبہ جاتی حصے کے اعتبار سے جون 2025ء کے اختتام پر منی مارکیٹ فنڈز تقریباً 51.3 فیصد حصے کے ساتھ سب سے آگے تھے، ان کے بعد انکم اور فیکسڈ ریٹ فنڈز کا 33.7 فیصد حصہ، اور ایکویٹی اور اس سے متعلقہ فنڈز کا 13.3 فیصد حصہ تھا۔

میوچل فنڈز صنعت کے مستقبل کا منظر نامہ

منی مارکیٹ فنڈز کو بہتر نقدیت کا فائدہ اٹھانا چاہیے کیونکہ یہ مختصر میعاد کے لیے اور کم رسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کمپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز پلاٹ فارم کاٹ جاری رہے، اور ڈیجیٹل رسائی اور صارفین کو اچھا تجربہ فراہم کرنے کے معاملے میں ہماری بہتر استعداد کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے فائدہ اٹھانے کے لیے تیار ہیں۔

ہولڈنگ کمپنی

18 اپریل 2023ء کو ایم سی بی بینک لمیٹڈ (ایم سی بی) نے، ایم سی بی-عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) کی پیورٹ (سرپرست) کمپنی کی حیثیت میں، عارف حبیب کارپوریشن لمیٹڈ (اے ایچ سی ایل) سے ایم سی بی-اے ایچ کے 21,664,167 (یعنی 30.09 فیصد) حصص خرید لیے۔ اس سودے کے ذریعے ایم سی بی بینک لمیٹڈ کی ایم سی بی-اے ایچ میں حاملیت حصص 36,956,768 (یعنی 51.33 فیصد) حصص سے بڑھ کر 58,620,935 (یعنی 81.42 فیصد) ہو گئی ہے اور اے ایچ سی ایل اب ایم سی بی-اے ایچ میں حصص کی حامل نہیں ہے۔

پاکستان مال سال 2011ء کے بعد سے پہلا سالانہ سسرپلس ریکارڈ نے جا رہا ہے، جس کے عوامل برآمدات اور ترسیلات میں بحالی اور محدود درآمدات ہیں۔ ہمیں اُمید ہے کہ درمیانی مدت میں یہ رجحان جاری رہے گا۔ اگر درآمدات میں تیزی آئے اور اس کے نتیجے میں مالیاتی تسہیل ہو تو روپے کی قدر میں بتدریج گراؤ ہو سکتی ہے۔ جون 2026ء کے اختتام پر روپے کا ڈالر کے مقابلے تناسب تقریباً 304 ہونے کا امکان ہے۔

اشیائے خورد و نوش کی قیمتوں میں کمی اور روپے میں استحکام کے باعث ہیڈلائن (مجموعی) افراط زر کم سطح (ایک ہندسے پر مبنی عدد) پر رہے گی۔ مالی سال 2026ء کے اختتام تک base اثر کے باعث افراط زر میں عارضی طور پر اضافہ ہوگا۔ مالی سال 2026ء میں اوسط افراط زر 5.6 فیصد ہونے کا امکان ہے۔ روپے کے استحکام اور مجموعی طلب کے عوامل کے باعث بنیادی افراط زر میں مسلسل کمی ہوتی رہی۔ ہمیں اُمید ہے کہ اگلے مالی سال کے اختتام تک بنیادی افراط زر بتدریج کم ہو کر ایک ہندسے پر مبنی عدد تک پہنچ جائے گی۔

مالیاتی جہت میں ہم سمجھتے ہیں کہ مالی سال 2026ء میں مالیاتی خسارہ 4.0 فیصد ہوگا، جو مالی سال 2006ء کے بعد سے کم ترین سطح ہوگی۔ چنانچہ یہ بجٹ خسارے میں کمی کا چوتھا مسلسل سال ہوگا، کیونکہ یہ مالی سال 2022ء میں 7.9 فیصد کی بلند ترین سطح تک پہنچ گیا تھا۔ اس کمی کی سب سے بڑی وجہ مالیاتی لاگت میں کمی ہے۔ مالیاتی نظم و ضبط برقرار رکھنے میں بنیادی سسرپلس سے متعلق آئی ایم ایف کے سخت اہداف بھی اپنا کردار ادا کریں گے۔

ایس بی پی نے سود کی شرحوں میں جون 2024ء سے لے کر اب تک مجموعی طور پر 1,100 بی پی ایس کمی کی ہے، چنانچہ شرحیں 22.0 فیصد کی بلند سطح سے 11.0 فیصد تک آگئی ہیں۔ خارجی استحکام میں بہتری، اور اس کے ساتھ ساتھ افراط زر کے دباؤ میں کمی، کی بدولت یہ مالیاتی تسہیل ممکن ہوئی۔ مستقبل میں چونکہ افراط زر کے دباؤ متوقع طور پر کم رہیں گے، چنانچہ شرحوں میں مزید کمی کا انحصار زرمبادلہ کے ذخائر کی تقویت پر ہوگا۔

کیپٹل مارکیٹ، خاص طور پر ایکویٹیز، کے زاویے سے مارکیٹ میں اب بھی سستی قدر پر تجارت ہو رہی ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب 14.2 فیصد ہے، جو اس کے تاریخی اوسط 18.6 فیصد کے مقابلے میں 23 فیصد کم ہے۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاکس کا باریک بینی پر مبنی زاویہ اہمیت کا حامل رہے گا، اور سرمایہ کاری کے انتخاب کے لیے ایسی کمپنیوں پر توجہ مرکوز کرنی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں ہونے والی تجارت میں قیمت کا آمدنی کے ساتھ تناسب 7.4 گنا ہے، جبکہ ڈیویڈنڈ سے حاصل ہونے والا منافع 7.1 فیصد ہے۔

ڈائریکٹرز رپورٹ

سرگرمی کے محاذ پر کے ایس ای۔ آل انڈیکس کے تجارتی حجم 44.0 فیصد بڑھ کر 633.1 ملین شیئرز ہو گئے، جبکہ اس کے بالمقابل گزشتہ سال تقریباً 439.8 ملین شیئرز تھے۔ اوسط تجارتی قدر مالی سال 2025ء میں 93.5 فیصد بڑھ کر تقریباً 101.4 ملین ڈالر ہو گئی۔ انڈیکس کے منافعوں میں سب سے بڑا کردار رکھاد، بینکاری اور 'ای اینڈ پی' شعبوں کا تھا جنہوں نے بالترتیب 15155، 9716 اور 6866 پوائنٹس کا اضافہ کیا۔ ڈیویڈنڈ کے پُرکشش منافعوں کے ساتھ ساتھ مالیاتی تسہیل کی بدولت بینکاری اور رکھاد کے شعبوں میں سرمایہ کاروں کی دلچسپی مبذول ہوئی۔ 'ای اینڈ پی' شعبہ بھی مرکز نگاہ بنا رہا کیونکہ MARI کی جانب سے 800 فیصد بونس کا اچانک اعلان ہوا، اور گزشتہ قرضوں سے منسلک کمپنیوں کی نقدیت کی صورت حال بہتر ہوئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 53.00 فیصد منافع پوسٹ کیا، جبکہ اس کے بالمقابل بیچ مارک منافع 58.50 فیصد تھا۔ 30 جون 2025ء کو فنڈ کی سرمایہ کاری 86.2 فیصد ایکویٹیز میں اور 13.2 فیصد نقد میں تھی۔ 30 جون 2025ء کو فنڈ کے net اثاثہ جات 844 ملین روپے تھے، جبکہ net اثاثہ جاتی قدر (این اے وی) فی یونٹ 260.3844 روپے تھی۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

مستقبل کے امکانات کے حوالے سے ہم سمجھتے ہیں کہ مالی سال 2026ء میں جی ڈی پی میں 4.1 فیصد ترقی ہوگی۔ زراعت base اثر کی وجہ سے بحال ہوگی اور اس میں متوقع طور پر 3.9 فیصد ترقی ہوگی۔ شرح سود میں کمی کے سبب رفتار اثر سے صنعت اور خدمات کے شعبے کو مستقبل میں فائدہ ہوگا اور ان میں بالترتیب 4.4 فیصد اور 4.0 فیصد ترقی کا امکان ہے۔ آئی ایم ایف پروگرام کا تسلسل ایک اہم مثبت پہلو ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے فنڈنگ حاصل کر سکیں گے۔ ایس بی پی کے ذخائر متوقع طور پر بڑھ کر سال کے اختتام تک 17.4 بلین ڈالر تک پہنچ جائیں گے اور اس کے عوامل بروقت دو طرفہ رول اوور (قرض کے معاہدوں میں توسیع) اور آئی ایم ایف اور کثیر الجہتی ایجنسیوں کی طرف سے آمدات ہیں۔ ہماری خارجی صورت حال بہتر ہوئی ہے جس کی بدولت پاکستان بین الاقوامی کپیٹل مارکیٹوں میں دوبارہ داخل ہونے پر غور کرنے کے قابل ہو سکتا ہے تاکہ Euro بانڈز، سٹاک اور پابند بانڈز جیسے ذرائع کا جائزہ لے سکے۔

base اثر اور سیلاب سے کپاس کی فصل کو نقصان تھیں۔ صنعت اور خدمات کے شعبوں کی ترقی میں بحالی ہوئی جس کی وجہ مجموعی معاشی اشاروں میں بہتری تھی۔ مالیاتی جہت میں ایف بی آر کی ٹیکس کی وصولی مالی سال 2025ء میں 25.9 فیصد بڑھ کر 11,722 بلین روپے ہو گئی، جو نظر ثانی شدہ کم تر ہدف 11,900 بلین روپے کے بالمقابل ہے، یعنی 178 بلین روپے کم ٹیکس جمع ہوا۔ اس کمی کی بڑی وجہ تجارت میں کمی، سست رفتار ترقی اور پست افراط زر ہیں۔

ایکوئی مارکیٹ کا جائزہ

ایکوئی مارکیٹ نے اپنا مثبت رجحان برقرار رکھا اور مالی سال 2025ء کے اختتام پر بیچ مارک کے ایس ای-100 انڈیکس 125,627 پوائنٹس کی تاریخی بلند ترین سطح پر پہنچ گیا تھا۔ انڈیکس کا سال بھر کا منافع 60.2 فیصد کی شاندار سطح پر تھا (ڈالر کے اعتبار سے 57.1 فیصد)، جو گزشتہ 22 برسوں میں دوسرے نمبر پر بہترین کارکردگی ہے، جبکہ پہلے نمبر پر مالی سال 2024ء کا منافع 89 فیصد کی بے مثال سطح پر تھا۔

مارکیٹ کی یہ عمدہ کارکردگی متعدد مثبت پیش رفت کی بدولت ممکن ہوئی، بشمول افراط زر کا کئی دہائیوں کی کم ترین سطح پر آنا، اور ایس بی پی کی طرف سے مجموعی طور پر 1,100 بیسیس پوائنٹس کی کمی کا ہونا۔ آئی ایم ایف بورڈ کی طرف سے 7.0 ملین ڈالر کے ای ایف ایف پروگرام کی منظوری، دوست ممالک کی طرف سے غیر ملکی کرنسی ڈپازٹس کے مسلسل رول اوور، اور ورلڈ بینک کی طرف سے کنٹری پارٹنرشپ فریم ورک کے تحت قرض کے ایک بڑے پیکیج کی بدولت سرمایہ کاروں کے اعتماد میں مزید اضافہ ہوا۔ گزشتہ قرض کے حوالے سے حکومتی اقدامات اور 1.3 بلین ڈالر کے آر ایس ایف انتظام کی منظوری سے مزید تقویت حاصل ہوئی۔ جبکہ عالمی سیاسی کشیدگی، خاص طور پر پاک-بھارت تناؤ اور ایران-اسرائیل تنازعے، کے باعث مالی سال کی آخری سہ ماہی میں کچھ غیر یقینی صورتحال پیدا ہوئی، لیکن امریکا کی کوشش سے عمل میں آنے والی جنگ بندی کے بعد کشیدگی میں کمی آئی اور مارکیٹ کا رجحان جلد بحال ہو گیا، جس کے بعد سال کے اختتام پر انڈیکس بلند ترین سطح پر پہنچا۔

مالی سال 2025ء کے دوران غیر ملکی سرمایہ کار 303.8 ملین ڈالر مالیت کے مجموعی فروخت کا رتھے۔ اس بڑی فروخت کی وجہ ایف ٹی ایس ای کے توازن کے از سر نو قیام سے متعلقہ اخراج تھا کیونکہ پاکستان کی درجہ بندی 'سیکنڈری امرجنگ' سے 'فرنٹیر مارکیٹ' کر دی گئی۔ اس فروخت کو زیادہ تر میوچل فنڈز، کارپوریٹ اداروں اور افراد نے جذب کیا جن کے ذریعے بالترتیب 230.5 ملین ڈالر، 94.3 ملین ڈالر اور 69.3 ملین ڈالر کی آمدات ہوئیں۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ڈیویڈنڈ ییلڈ پلان کے اکاؤنٹس برائے سال محتممہ 30 جون 2025ء کا جائزہ پیش خدمت ہے۔

معیشت کا جائزہ

مالی سال کا مضبوط آغاز ہوا کیونکہ حکومت نے آئی ایم ایف کے ساتھ 37 ماہ کی ایکسٹینڈڈ فنڈ فیسلٹی (ای ایف ایف) کے لیے 7.0 بلین ڈالر کا اسٹاف-لیول معاہدہ (ایس ایل اے) کر لیا۔ دورانِ مدت پاکستان نے مالیاتی اور خارجی نظم و ضبط کا مظاہرہ کر کے آئی ایم ایف پروگرام کے کلیدی اہداف اور مقررہ معیارات حاصل کر لیے۔ اس کے نتیجے میں مارچ 2025ء میں آئی ایم ایف ٹیم نے 'ای ایف ایف' کے پہلے جائزے کے لیے پاکستانی مختار اداروں کے ساتھ ایک 'ایس ایل اے' کیا، جس سے 28 ماہ پر محیط ایک نئی ریزیلیننس اینڈ سسٹینیبلٹی فیسلٹی (آر ایس ایف)، جس سے اضافی 1.3 بلین ڈالر فنڈنگ کی راہ ہموار ہوئی۔

مالی سال 2025ء کے ابتدائی گیارہ ماہ (11MFY25) میں ملکہ کارنٹ اکاؤنٹ سروسز 1.8 بلین ڈالر پوسٹ کیا گیا، جس کے بالمقابل گزشتہ سال مماثل مدت میں 1.6 بلین ڈالر خسارہ تھا۔ کرنٹ اکاؤنٹ کی بہتری میں اہم ترین کردار ترسیلات زر کا تھا جن میں 28.8 فیصد کا خطیر اضافہ ہوا اور وہ 34.9 بلین ڈالر ہو گئیں۔ تجارتی خسارہ 22.1 فیصد YoY (سال در سال) بڑھ گیا کیونکہ برآمدات میں 4.0 فیصد اضافہ ہوا جبکہ درآمدات ایک پست بنیاد سے 11.5 فیصد بڑھ گئیں۔ ملکہ کی خارجی صورتحال بہتر ہوئی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر بڑھ کر جون 2025ء کو 14.5 بلین ڈالر ہو گئے، جس کے بالمقابل گزشتہ مالی سال کے اختتام پر 9.4 بلین ڈالر تھے۔ اس کی وجوہات کرنٹ اکاؤنٹ سروسز، بروقت دو طرفہ رول اوور (قرض کے معاہدوں میں توسیع) اور آئی ایم ایف اور کثیر الجہتی ذرائع سے آمدات تھیں۔ ڈالر کے مقابلے میں روپے کی قدر میں 1.9 فیصد کمی معمولی کمی ہوئی اور یہ 283.3 تک پہنچ گئی۔

مالی سال 2025ء کے دوران ہیڈ لائن (مجموعی) افراط زر، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط 4.6 فیصد تھا، جس کے بالمقابل گزشتہ سال کی مماثل مدت میں 23.9 فیصد تھا۔ اس خطیر کمی کا سبب گزشتہ ایک سال کے دوران روپے کی قدر میں استحکام تھا، جس کی بدولت اشیائے خورد و نوش اور توانائی کی قیمتیں مستحکم رہیں۔ مزید برآں، گندم کی قیمتوں اور base کے اثر میں بڑی کمی کے نتیجے میں افراط زر میں مزید کمی ہوئی۔

مالی سال 2025ء میں پاکستان کی پراویژنل جی ڈی پی (مجموعی ملکی پیداوار) 2.7 فیصد تھی، اور زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 0.6 فیصد، 4.8 فیصد اور 2.9 فیصد اضافہ ہوا۔ زراعت کے شعبے کی ترقی توقع سے کم تھی جس کی وجہ بلند

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2025

Fund Type and Category

MCB Pakistan Dividend Yield Plan is an Asset Allocation Plan.

Fund Benchmark

KSE-100 Index, 90% Three (3) months PKRV rates + 10% three (3) months average of the highest on savings accounts of three (3) AA rated Scheduled banks as selected by MUFAP and 75% six (6) months KIBOR and 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled banks as selected by MUFAP.

Investment Objective

The Objective of MCB Pakistan Dividend Yield Plan (MCB-PDYP) is to provide actively managed exposure to dividend paying listed equities and aims to generate higher dividend income over the medium to long term.

Manager's Review

The fund posted a return of 53.00% during the period under review against the benchmark return of 58.50%. Cash exposure was 13.2% and Equities exposure was 86.2%.

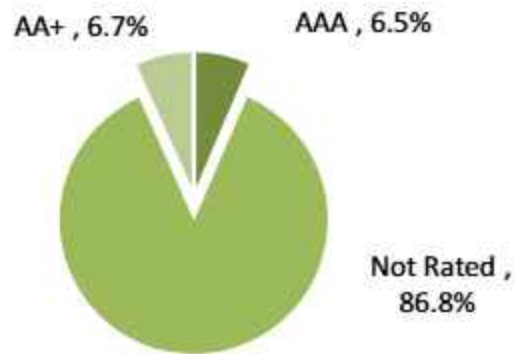
The Net Assets of the Fund as at June 30, 2025 stood at Rs. 844 million as compared to Rs. 287 million as at June 30, 2024 registering an increase of 194.1%. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 260.3844 as compared to opening NAV of Rs. 173.1845 per unit as at June 30, 2024 registering an increase of 87.1999 per unit.

Asset Allocation as on June 30, 2025 (% of total assets)

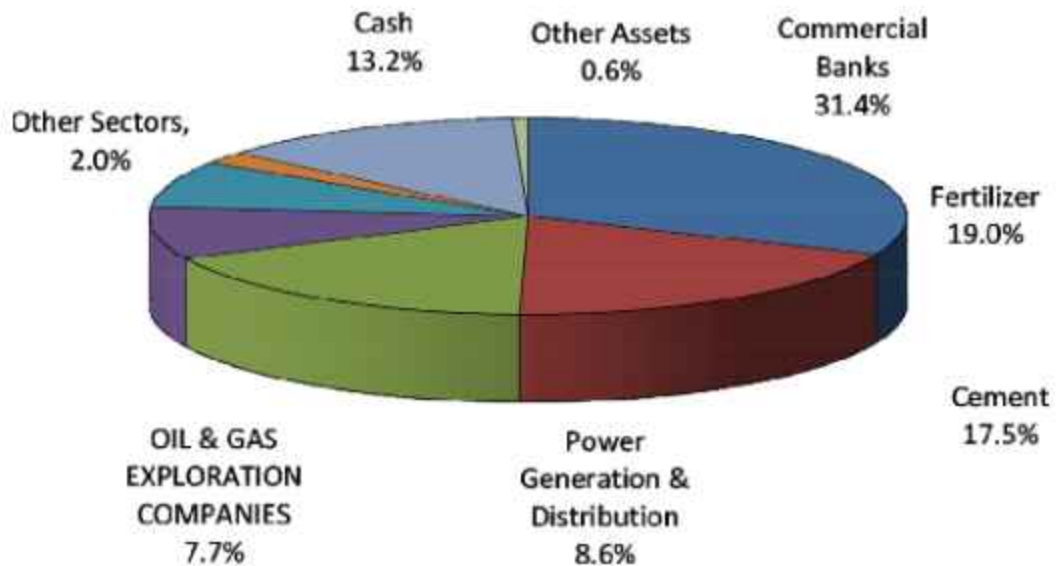
Asset Allocation (%age of Total Assets)	Jun-25
Cash	13.2%
Stock / Equities	86.2%
Others including receivables	0.6%

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2025

Asset Quality as on June 30, 2025 (% of total assets)



Sector Allocation (%age of Total Assets)



Syed Abid Ali
Fund Manager

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) and clause 8 of Schedule V 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 year ended June 30, 2025 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: September 09, 2025



INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF MCB PAKISTAN OPPORTUNITY FUND

Opinion

We have audited the financial statements of MCB Pakistan Opportunity Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, the statement of movement in unit holders fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S.No	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Existence and valuation of investments</p> <p>As disclosed in note 6 to the financial statements, the investments held by the Fund comprised of equity instruments amounting to Rs. 731,585 million which represent 86.6% of the Net asset value (NAV) of the Fund.</p> <p>As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">Evaluated the design and implementation of key controls over investment, and tested controls over acquisition, disposals and periodic valuation of investments portfolio.Performed substantive audit procedures on year-end balance of equity instruments including review of custodian's statement, related reconciliations and re-performance of valuation based on share prices from the Pakistan Stock Exchange (PSX).

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



S.No	Key Audit Matter	How the matter was addressed in our audit
	In view of the significance of above-mentioned balance in relation to the Fund's total assets and NAV, we considered the existence and valuation of such investments as a key audit matter.	<ul style="list-style-type: none">Assessed the Fund's compliance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the investment concentration and exposure limits.Evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment, ensuring compliance with the NBFC Regulations and the relevant accounting requirements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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

KARACHI

DATED: 04 SEP 2025

UDIN: AR202510166P4g2HUzsr


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

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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.

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025**

	Note	2025 —————(Rupees in '000)—————	2024
ASSETS			
Bank balances	5	112,052	44,810
Investments	6	731,585	236,226
Receivable against sale of investments		-	6,594
Mark-up receivable	7	3,457	714
Advances, deposits and other receivables	8	1,805	1,117
Total assets		848,899	289,461
LIABILITIES			
Payable to MCB Investments Management Limited Management Company	9	2,890	1,385
Payable to the Central Depository Company- Trustee	10	33	61
Payable to the Securities and Exchange Commission of Pakistan	11	66	26
Accrued expenses and other liabilities	12	1,486	998
Total liabilities		4,475	2,470
NET ASSETS		844,424	286,991
Unit holders' fund (as per statement attached)		844,424	286,991
Contingencies and Commitments	13		
		(Number of units)	
NUMBER OF UNITS IN ISSUE	17	3,242,990	1,657,136
		—————(Rupees)—————	
NET ASSET VALUE PER UNIT		260.3844	173.1845

The annexed notes 1 to 27 form an integral part of these financial statements.

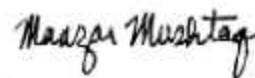
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 ————(Rupees in '000)————	2024
INCOME			
Income from government securities		-	447
Capital gain on sale of investments - net		78,063	97,944
Mark-up on bank deposits		12,000	8,511
Dividend income		76,377	39,229
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6.1.1	141,449	53,771
Total Income		307,889	199,902
EXPENSES			
Remuneration of the Management Company	9.1	24,694	7,527
Sindh Sales Tax on remuneration of the Management Company	9.2	3,704	978
Allocated Expense	9.3	-	211
Marketing and Selling expense	9.4	-	940
Remuneration of the Trustee	10.1	1,431	596
Sindh Sales Tax on remuneration of the Trustee	10.2	215	78
Securities and Exchange Commission of Pakistan - Annual fee	11	683	283
Auditors' remuneration	14	677	515
Securities transaction cost		3,525	1,738
Settlement and bank charges		94	496
Legal and professional charges		211	185
Printing charges		-	34
Total expenses		35,234	13,581
Net income for the year before taxation		272,655	186,321
Taxation	15	-	-
Net income for the year		272,655	186,321
Allocation of net income for the year			
Net income for the year after taxation		272,655	186,321
Income already paid on units redeemed		(72,661)	(111,783)
		199,994	74,538
Accounting income available for distribution			
- relating to capital gains		159,254	61,871
- excluding capital gains		40,741	12,667
		199,994	74,538
Earning per unit	16		

The annexed notes 1 to 27 form an integral part of these financial statements.

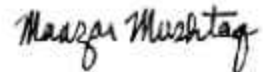
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	—————(Rupees in '000)—————	
Net income for the year	272,655	186,321
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>272,655</u>	<u>186,321</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

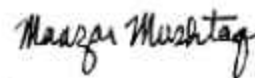
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the year	231,077	55,914	286,991	191,060	17,879	208,939
Issuance of 8,687,471 (2024: 5,573,175) units:						
Capital value	1,504,535	-	1,504,535	565,016	-	565,016
Element of income	385,064	-	385,064	283,992	-	283,992
Amount received on issuance of units	1,889,599	-	1,889,599	849,008	-	849,008
Redemption of 7,101,617 (2024: 5,797,828) units:						
Capital value	(1,229,890)	-	(1,229,890)	(587,792)	-	(587,792)
Element of loss	(287,147)	(72,661)	(359,807)	(203,901)	(111,783)	(315,684)
Amount paid on redemption of units	(1,517,036)	(72,661)	(1,589,697)	(791,693)	(111,783)	(903,476)
Total comprehensive income for the year	-	272,655	272,655	-	186,321	186,321
Distribution during the year				(17,298)	(36,503)	(53,801)
Distribution for the year ended June 30, 2025 @ Rs.4.5 per unit (declared on June 25, 2025)		(9,982)	(9,982)			
Refund of capital for the year ended June 30, 2025	(5,142)	-	(5,142)			
Net income for the year less distribution	(5,142)	262,673	257,531	(17,298)	149,818	132,520
Net assets at the end of the year	598,498	245,926	844,424	231,077	55,914	286,991
Undistributed income brought forward						
- Realized income at the beginning of the year		2,143			19,948	
- Unrealized income at the beginning of the year		53,771			(2,069)	
		55,914			17,879	
Accounting income available for distribution:						
- Relating to capital gains		159,254			61,871	
- Excluding capital gains		40,741			12,667	
		199,994			74,538	
Distribution during the year		(9,982)			(36,503)	
Undistributed income carried forward		245,926			55,914	
Undistributed income carried forward						
- Realised		104,478			2,143	
- Unrealised		141,449			53,771	
		245,926			55,914	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year	173.1845			111.0314		
Net assets value per unit at end of the year	260.3844			173.1845		

The annexed notes 1 to 27 form an integral part of these financial statements.

For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 —(Rupees in '000)—	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		272,655	186,321
Adjustments for non cash and other items:			
Mark-up on bank deposits		(12,000)	(8,511)
Dividend income		(76,377)	(39,229)
Capital Gain on sale of investments - net		(78,063)	(97,944)
Unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss - net	6.1.1	(141,449)	(53,771)
		(35,234)	(13,134)
(Increase) / decrease in asset			
Investments		(275,847)	92,698
Receivable against sale of investments		6,594	5,318
Advances, deposits and other receivable		(688)	-
		(269,941)	98,016
Increase / (decrease) in liabilities			
Payable to the Management Company		1,505	1,200
Payable to the Trustee		(28)	24
Payable to the Securities and Exchange Commission of Pakistan		40	(4)
Payable against purchase of investments		-	(12,081)
Accrued expenses and other liabilities		488	454
		2,005	(10,407)
Dividend received		76,377	39,229
Markup received on banks deposits		9,257	8,242
Net cash (used in) / generated from operating activities		(217,536)	121,946
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		1,889,599	849,008
Amount paid on redemption of units		(1,589,697)	(903,476)
Dividend paid during the year		(15,124)	(53,801)
Net cash generated from / (used in) financing activities		284,778	(108,269)
Net increase in cash and cash equivalents during the year		67,242	13,677
Cash and cash equivalents at the beginning of the year		44,810	31,133
Cash and cash equivalents at the end of the year	5	112,052	44,810

The annexed notes 1 to 27 form an integral part of these financial statements.

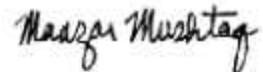
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2022 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/344/2022 dated May 19, 2022. The SECP approved the Offering Document under the Regulations vide its Letter No. SCD/AMCW/MPOF/378/2022 dated June 16, 2022.
- 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 located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end collective investment scheme categorised as a "Asset Allocation Scheme" and is listed on Pakistan Stock Exchange Limited. The Management Company launched its first plan under MCB Pakistan Opportunity Fund on June 29, 2022 i.e. IPO date of the Plan (MCB Pakistan Dividend Yield plan). The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned a management quality rating of 'AMI' (Stable outlook) to the Management Company as at October 04, 2024.
- 1.5 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments which are measured at fair value.

These financial statements have been prepared under accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

2.4 Accounting Estimates and Judgements

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Classification and valuation of investments

For details please refer notes 4.2.1.1 and 19 to these financial statements.

Impairment of investment

For details please refer notes 4.2.1.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets

4.2.1.1.1 Debt instruments

A debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the Income Statement.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.1.1.2 Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

An equity instrument held for trading purposes is classified as measured at FVTPL.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, advances, deposits and other receivable, mark-up receivable and bank balances.

4.2.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.1.5 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

4.2.1.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed to the unit holders.

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders.

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are not recognized before the reporting date.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

The Net Assets Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on government securities is recognized on an accrual basis using the effective yield method.
- Profit on saving accounts with banks is recognized on an accrual basis using the effective yield method.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.11 Earnings Per Unit (EPU)

Earnings per unit is calculated by dividing the net profit of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

4.12 Transactions with related parties / connected persons

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

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

		2025	2024
	Note	———— (Rupees in '000) ————	
5	BANK BALANCES		
	In Saving Accounts	111,944	44,810
	In Current Accounts	108	-
		112,052	44,810

5.1 These carry mark-up at the rates ranging from 7.00% to 19.00% per annum (2024: 19.00% to 20.50% per annum).

5.2 These include balances held with related parties of Rs. 4.721 million (2024: Rs. 1.326 million) with MCB Bank Limited.

6 INVESTMENTS

6.1 Investments at fair value through profit or loss

Listed equity securities	6.1.1	731,585	236,226
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

Name of the investee company	Symbol	No. of shares			Balance as at June 30, 2025			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 year	Sold during the year	As at June 30, 2025	Carrying Value	Market value as at June 30, 2025			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	85,610	97,000	25,497	39,334	13,837	4.66%	0.02%
Fauji Cement Company Limited	FCCL	-	2,002,000	1,902,000	100,000	2,961	4,467	1,506	0.53%	0.00%
Pioneer Cement Limited	PIOC	89,000	459,050	87,400	460,650	92,098	105,088	12,990	12.44%	0.20%
					657,650	120,556	148,889	28,333	17.6%	0.2%
Chemicals										
Archroma Pakistan Limited	ARPL	20,283	-	20,283	-	-	-	-	0.00%	0.00%
Commercial banks										
Bank Alfalah Limited***	BAFL	247,000	1,209,500	581,500	875,000	62,482	70,210	7,728	8.31%	0.08%
Habib Metropolitan Bank Limited	HMB	425,000	115,429	540,429	-	-	-	-	0.00%	0.00%
MCB Bank Limited*	MCB	-	26,500	26,500	-	-	-	-	0.00%	0.00%
United Bank Limited**	UBL	33,500	340,604	84,104	290,000	53,633	80,026	26,393	9.48%	0.01%
Habib Bank Limited	HBL	29,000	354,900	143,900	240,000	36,162	43,006	6,844	5.09%	0.02%
National Bank Of Pakistan	NBP	233,000	781,500	339,500	675,000	41,198	73,366	32,168	8.69%	0.03%
Meezan Bank Limited	MEBL	57,000	134,500	191,500	-	-	-	-	0.00%	0.00%
					2,080,000	193,475	266,607	73,133	31.57%	0.12%
Fertilizer										
Engro Corporation Limited	ENGRO	126,000	447,780	216,780	357,000	67,227	66,256	(971)	7.85%	0.03%
FATIMA Fertilizers Limited	FATIMA	-	1,487,000	534,000	953,000	60,390	94,738	34,348	11.22%	0.05%
Fauji Fertilizer Company Limited	FFC	159,000	175,000	334,000	-	-	-	-	0.00%	0.00%
					1,310,000	127,617	160,993	33,376	19.07%	0.07%
Oil and gas exploration companies										
Pakistan Oilfields Limited	POL	-	195,000	85,000	110,000	61,758	64,919	3,161	7.69%	0.04%
					110,000	61,758	64,919	3,161	7.69%	0.04%

*These represent transactions in shares of related parties

** These have a face value of Rs. 5 per share

*** These represent pledge securities

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
Note	(Rupees in '000)	
7. MARK-UP RECEIVABLE		
On saving accounts	3,457	714
8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
Advance tax	234	117
Security deposits with NCCPL	1,500	1,000
Other Reciveable against collection amount	71	-
	<u>1,805</u>	<u>1,117</u>

8.1 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, 2025, in the opinion of the management, the amount of tax deducted at source will be refunded.

9. PAYABLE TO MCB INVESTMENTS MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management Remuneration Payable	9.1	2,425	846
Sindh Sales Tax payable on management remuneration	9.2	364	110
Payable against allocated expenses	9.3	-	22
Selling and marketing expenses payable	9.4	-	350
Sales load payable		101	57
		<u>2,890</u>	<u>1,385</u>

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

9.2 Sales tax on management remuneration has been charged at the rate of 15% (2024: 13%).

9.3 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund. However, prior to such amendment, the Management Company charged such allocated expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

9.4 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expenses to the Fund. However, prior to such amendment, the Management Company charged such selling and marketing expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

However, the Management Company, based on its own discretion has not charged selling and marketing expenses to the Fund during the year ended June 30, 2025.

		2025	2024
	Note	(Rupees in '000)	
10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY- TRUSTEE			
Trustee Remuneration payable	10.1	29	54
Sindh Sales Tax payable on trustee remuneration	10.2	4	7
		33	61

10.1 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

10.2 Sindh Sales Tax at 15% (2024: 13%) is charged on Trustee fee.

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

Annual Fee (SECP)	11.1	66	26
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11.1 Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.095% and introduced a shift in payment frequency, from annual to monthly basis.

		2025	2024
		(Rupees in '000)	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		505	428
Printing and related charges payable		-	40
Payable to legal advisor		38	31
Brokerage payable		128	256
Withholding tax payable		815	243
		1,486	998

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the June 30, 2025 (2024: Nil).

14. AUDITORS' REMUNERATION

	2025	2024
	(Rupees in '000)	
Annual audit fee	375	310
Income certification	50	50
Half yearly review fee	125	80
	550	440
 Sale tax and out of pocket expenses	 127	 75
	677	515

15. 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company has distributed cash dividend that is at least 90 percent of the Fund's accounting income for the year ended June 30, 2025 as reduced by capital gains (whether realized or unrealized) to its unit holders in the form of cash.

16. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

17. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	1,657,136	1,881,789
Add: Units issued during the year	8,687,471	5,573,175
Less: Units redeemed during the year	(7,101,617)	(5,797,828)
Total units in issue at the end of the year	3,242,990	1,657,136

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

18. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning 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 year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Transactions during the year with connected persons / related parties in the units of the Fund:

	June 2025							
	As at July 01, 2024	Issued for cash / conversion in / out / transferred in	Redeemed / conversion out / transfer out	As at June 30, 2025	Amount outstanding as at July 01, 2024	Issued for cash / conversion in / out / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2025
	Units ----- (Rupees'000) -----							
MCB Investment Management Limited - Management Company *	-	605,185	605,185	-	-	130,000	150,195	-
Group / associated companies								
Adamjee Life Assurance Company Limited - IMF	616,153	10,851	-	627,004	106,708	2,773	-	163,262
Adamjee Life Assurance Co. Ltd. Conventional Business	-	130,777	83,546	47,231	-	28,108	19,852	12,298
Adamjee Life Assurance Co. Ltd Managed Growth Fund	12,020	9,125	7,729	13,416	2,082	1,659	1,350	3,493
Adamjee Life Assurance Co. Ltd-SHF	-	85,017	-	85,017	-	20,047	-	22,137
Key Management Personnel	2,926	115,141	109,378	8,689	507	23,283	22,520	2,263
Mandate under Discretionary Portfolio services	-	1,017,448	925,932	91,516	-	241,032	218,056	23,829
Unit Holders holding 10% or more	-	479,408	-	479,408	-	85,070	-	124,830

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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*These persons are also related party due to holding of more than 10% units of net assets of the Fund.

Unit Holders' Fund	June 2024							
	As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at June 30, 2024	Amount outstanding as at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2024
	Units				(Rupees '000)			
MCB Investment Management Limited - Management Company *	548,166	545,140	1,093,306	-	60,863	79,496	194,587	-
Group / associated companies								
Adamjee Life Assurance Company Limited - MGF	-	12,020	-	12,020	-	2,082	-	2,082
Adamjee Life Assurance Company Limited - IMF	500,000	116,153	-	616,153	55,516	17,072	-	106,708
Key Management Personnel	-	30,906	27,980	2,926	-	3,834	366	507

*These persons are also related party due to holding of more than 10% units of net assets of the Fund.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	(Rupees in '000)	
18.2 Details of transactions with related parties / connected persons during the year		
MCB Investment Management Limited- Management Company		
Remuneration	24,694	7,527
Sindh Sales Tax on remuneration of the Trustee	3,704	978
Allocated Expenses	-	211
Marketing and selling expenses	-	940
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,431	596
Sindh Sales Tax on remuneration of the Trustee	215	78
CDC Settlement charges	92	50
Group / associated companies		
MCB Bank Limited		
Purchase of 26,500 shares (2024: 113,100 Shares)	5,892	14,916
Sales 26,500 shares (2024: 198,100 shares)	5,922	32,587
Dividend Income	-	1,911
Mark-up on bank balances	242	432
Bank charges	22	7
Nishat Power Limited		
Purchase of 1,774,500 shares (2024: 194,000 shares)	57,020	5,928
Sales of 696,000 shares (2024: 264,500 shares)	25,493	7,562
Dividend Income	5,012	1,646
Atlas Battery Limited		
Purchase of Nil shares (2024: 500 shares)	-	126
Sale of Nil shares (2024: 10,500 shares)	-	2,437
Dividend Income	-	36
Lalpir Power Limited		
Purchase of 190,000 shares (2024: 1,366,618 shares)	4,618	28,555
Sale of 720,000 shares (2024: 836,618 shares)	14,191	20,839
Dividend Income	1,166	1,400

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	(Rupees in '000)	
18.3 Details of balances with related parties / connected persons as at year end		
MCB Investment Management Limited - Management Company		
Remuneration payable	2,425	864
Sindh sales tax payable on remuneration	364	110
Other payable	101	429
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	29	54
Sindh sales tax payable on remuneration	4	7
Group / associated companies		
MCB Bank Limited		
Nil shares (2024: Nil) shares	-	-
Bank balance	4,721	1,396
Nishat Power Limited		
1,253,000 Shares (2024: 174,500 shares)	45,446	6,898
Lalpir Power Limited		
Nil Shares (2024: 530,000 shares)	-	13,473

19 FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, markup rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Dividend Yield Fund Manager in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Dividend Yield Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund's primary financial assets comprise of balances with banks and investment at fair value through profit and loss, comprising of equity securities of listed companies. The Fund also has markup and other receivables. The Fund's principal financial liabilities include remuneration payable to Management company, Trustee and accrued and other liabilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pakistani Rupees.

19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis of variable rate instruments

The Fund is exposed to variable rate instrument risk for balances in certain savings accounts, the interest rates on which range between 7% to 19% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs.1.12 million (2024: Rs. 0.45 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025 the Fund does not hold any fixed rate instruments, therefore, the Fund is not exposed to fair value interest rate risk.

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

	2025				Total
	Exposed to yield / interest rate risk		Not exposed to interest rate risk		
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year		
	----- (Rupees in '000) -----				
On-balance sheet financial instruments					
Financial Assets					
Bank balances	111,944	-	-	-	111,944
Investments	-	-	-	731,585	731,585
Markup receivable	-	-	-	3,457	3,457
Receivable against sale of investments	-	-	-	-	-
Deposit and other receivable	-	-	-	1,571	1,571
	111,944	-	-	736,613	848,557
Financial Liabilities					
Payable to MCB Investments Management Limited	-	-	-	2,526	2,526
Payable to the Central Depository Company- Trustee	-	-	-	29	29
Accrued expenses and other liabilities	-	-	-	671	671
	-	-	-	3,226	3,226
On-balance sheet gap	111,944	-	-	733,387	845,331

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2025.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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----- 2024 -----					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
	----- (Rupees in '000) -----				
	On-balance sheet financial instruments				
	Financial Assets				
19%-20.5%	44,810	-	-	-	44,810
				236,226	236,226
				714	714
				6,594	6,594
				1,000	1,000
	44,810	-	-	244,534	289,344
	Financial Liabilities				
				1,275	1,275
				54	54
				755	755
				2,084	2,084
	44,810	-	-	242,450	287,260

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2024.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The credit risk of the Fund principally arises from deposits and other receivable balances.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The main concentration to which the Fund is exposed arises from the Fund's bank balances. The Fund is also exposed to counterparty credit risk on deposits and other receivable balances. The Fund's maximum exposure to credit risk related to receivables at June 30, 2025 and June 30, 2024 is the carrying amounts of following financial assets.

The maximum exposure to credit risk as at June 30, 2025 and June 30, 2024 were as follows:

	June 2025		June 2024	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees in '000)				
Bank balances	111,944	111,944	44,810	44,810
Investments	731,585	731,585	236,226	236,226
Receivable against sale of investments	-	-	6,594	6,594
Mark-up receivable	3,457	3,457	714	714
Deposits and other receivables	1,805	1,805	1,117	1,117
	<u>848,791</u>	<u>848,791</u>	<u>289,461</u>	<u>289,461</u>

The analysis below summarizes the credit rating quality of the Fund's financial assets as at June 30, 2025.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Bank balances by rating category	<u>2025</u>	<u>2024</u>
	%	
AAA	97%	97.00%
AA+	3%	3.00%
	<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2024 and June 30, 2025.

Deposits placed with NCCPL and CDC for the purpose of effecting transaction and settlement of listed securities. It is expected that all securities deposited with NCCPL and CDC will be clearly identified as being assets of the Fund, hence, the management believes that the Fund is not materially exposed to a credit risk with respect to such parties.

All transactions in listed securities are settled/paid for upon delivery using approved brokers and NCCPL. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Accordingly unrated balances including amounts due from brokers, deposits and other receivables have been assessed by the investment manager to have credit quality consistent with a bond can have and still be considered investment-grade. An investment grade bond is a bond considered to have a relatively low risk of default.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using central clearing system.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not availed any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2025			
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
(Rupees in '000)				
Liabilities				
Payable to the Management Company	2,526	2,526	-	-
Payable to the Trustee	29	29	-	-
Accrued and other liabilities	671	671	-	-
	3,226	3,226	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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2024			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year

(Rupees in '000)

Liabilities

Payable to the Management Company	1275	1275	-	-
Payable to the Trustee	54	54	-	-
Accrued and other liabilities	755	755	-	-
	2,084	2,084	-	-

2025		
At fair value through profit or loss	At amortised cost	Total

(Rupees in '000)

19.4 Financial instruments by category

Financial Assets

Bank balances	-	111,944	111,944
Investments	731,585	-	731,585
Markup receivable	-	3,457	3,457
Deposits and other receivables	-	1,571	1,571
	731,585	116,972	848,557

Financial Liabilities

Payable to the Management Company	-	2,526	2,526
Payable to the Trustee	-	29	29
Accrued and other liabilities	-	671	671
	-	3,226	3,226

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Financial instruments by category	2024		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees in '000)		
Financial Assets			
Bank balances	-	44,810	44,810
Investments	236,226	-	236,226
Mark-up receivable	-	714	714
Receivable against sale of investment	-	6,594	6,594
Other receivable	-	1,000	1,000
	236,226	53,118	289,344
Financial Liabilities			
Payable to the Management Company	-	1,275	1,275
Payable to the Trustee	-	54	54
Accrued and other liabilities	-	755	755
	-	2,084	2,084

20. UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

21. 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).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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); and

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

As at June 30, 2025 and June 30, 2024 the Fund held instruments to be measured at fair values:

	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss	731,585	-	-	731,585
	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss	236,226	-	-	236,226

21.1 During the year ended June 30, 2025, 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.

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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22. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding pattern of unit holding, list of top ten brokers, meetings of the Board of Directors of the management company, members of the Investment Committee and Fund Manager's details are as follows:

22.1 UNIT HOLDERS PATTERN

June 2025				
Number of unit holders	Number of units held	Investment Amount	Percentage of total investments	
(Rupees in '000)				
Individuals	551	1,629,860	424,390	50.26%
Associated Companies	4	772,669	201,191	23.83%
Provident & Pension Fund	4	329,479	85,791	10.16%
Public Limited Co.	1	298	78	0.01%
Others	2	510,684	132,974	15.75%
	562	3,242,990	844,424	100.00%

June 2024				
Number of unit holders	Number of units held	Investment Amount	Percentage of total investments	
(Rupees in '000)				
Individuals	256	813,744	140,928	49.11%
Associated Companies	2	628,174	108,790	37.91%
Insurance Companies	2	214,916	37,220	12.97%
Public Limited Co.	1	302	52	0.02%
	261	1,657,136	286,991	100.00%

22.2 Top ten brokers / dealers by percentage of commission paid

Details of commission paid by the Fund to top ten brokers by percentage during the year are as follows:

	2025 (Percentage)
1 Taurus Securities Limited	16.41%
2 Top Line Securities Private Limited	10.63%
3 Ismail Iqbal Securities Private Limited	9.02%
4 Arif Habib Limited	8.44%

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	2025 (Percentage)
5 Next Capital Ltd	7.64%
6 Alpha Capital Private Limited	7.60%
7 Khadim Ali Shah Bukhari Sec	6.89%
8 Akik Capital Private Limited	6.86%
9 Al Habib Capital Markets Private	6.32%
10 Foundation Securities Private Limited	5.86%
2024 (Percentage)	
1 Khadim Ali Shah Bukhari Security	9.19%
2 EFG Hermes Pakistan Limited	9.16%
3 Top Line Securities (Private) Limited	8.77%
4 Ismail Iqbal Securities (Private) Limited	8.56%
5 Optimas Capital Management	7.82%
6 Alfa Adhi Securities (Private) Limited	7.78%
7 Alfalah Clsa Securities (Private) Limited	7.71%
8 Next Capital Limited	7.19%
9 Insight Securities Limited	7.18%
10 Al Habib Capital Markets (Private) Limited	6.86%

22.3 Attendance at meetings of the Board of Directors

The 197th, 198th, 199th, 200th, 201st, 202nd, 203rd, 204th and 205th meeting of the Board of Directors were held on July 24, 2024, July 25, 2024, September 25, 2024, October 16, 2024, October 21, 2024, January 31, 2025, February 04, 2025, April 17, 2025 and April 21, 2025 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of Directors	Attendance required	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Mr. Haroon Rashid	9	9	8	1	199th
Mr. Ahmed Jahangir	9	9	8	1	197th
Syed Savail Meekal Hussain	9	9	8	1	201st
Ms. Mavra Adil Khan	9	9	4	5	197th, 198th, 201st, 202nd, 203rd
Mr. Shoaib Mumtaz*	9	5	4	1	201st
Mr. Fahd Kamal Chinoy	9	9	8	1	202nd
Mr. Manzar Mushtaq	9	9	9	-	-
Mr. M.Nauman Chughtai**	9	4	3	1	204th
Mr. Khawaja Khalil Shah	9	9	9	-	-

*Resigned on December 21, 2024

**Appointed on January 06, 2025

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

22.4 Particulars of investment committee and fund manager

Detail of members of the investment committee of the Fund are as follow:

Name	Designation	Qualification	Experience in years
Khawaja Khalil Shah	Chief Executive Officer	MBA	33
Muhammad Asim	Chief Investment Officer	MBA & CFA	22
Awais Abdul Sattar	Portfolio Manager Equities	MBA & CFA	14
Saad Ahmed	Head of Fixed Income	MBA	19
Syed Abid Ali	Head of Equities	MBA	17
Usama Iqbal	Fund Manager	Graduate	21
Raza Inam	Head of Research	B Sc. CFA	11

22.5 Other funds managed by the fund manager

Mr. Syed Abid Ali is the Manager of the Fund as at year end. He has obtained a Masters degree in Business Administration. Other funds being managed by him are as follows:

Alhamra Islamic Asset Allocation Fund
 Alhamra Islamic Stock Fund
 Alhamra Opportunity Fund - Dividend Strategy Plan
 Alhamra Islamic Pension Fund; and
 MCB Alhamra KPK Govt Employees Pension Fund - Money Market Sub Fund
 MCB Pakistan Asset Allocation Fund
 MCB Pakistan Dividend Yield Plan
 Pakistan Capital Market Fund
 Pakistan Pension Fund
 MCB KPK Govt Employees Pension Fund - Money Market Sub Fund

23. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 4.9% (June 30, 2024: 4.56%) as on June 30, 2025 and this include 0.69% (June 30, 2024: 0.53%) representing Government Levy and SECP fee respectively.

24. CORRESPONDING FIGURES

Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

25. NON ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Management Company on July 01, 2025 approved a final distribution of Rs. 9.0 per unit amounting to Rs. 29.1869 million. The financial statements of the Fund for the period ended June 30, 2025 do not include effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2026.

26. GENERAL

26.1 Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

27. DATE OF AUTHORISATION FOR ISSUE

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

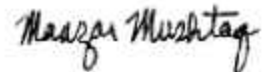
For MCB Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNITS HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2025**

No. of Unit Holders	Unit holdings	Total units held
233	A. 001-10,000	2,133
142	B. 10,001 – 100,000	21,381
120	C. 100,001 – 1000,000	167,086
67	D. 1000,001 & Above	3,052,391
<u>562</u>		<u>3,242,991</u>

**PERFORMANCE TABLE
FOR THE YEAR ENDED JUNE 30, 2025**

Performance Information	2025	2024	2023	2022
Total Net Assets Value – Rs. in million	844.4241	286.9904	208.9378	109.6558
Net Assets value per unit – Rupees	260.3844	173.1845	111.0314	99.6871
Closing Offer Price	269.3677	179.0555	114.7954	103.0665
Highest offer price per unit	269.3677	204.2319	117.7679	103.0665
Lowest offer price per unit	177.1475	104.8227	99.9847	100.0000
Highest Redemption price per unit	260.3844	197.5354	113.9065	100.0000
Lowest Redemption price per unit	171.2397	101.3857	96.7064	#REF!
Distribution per unit – Rs. *				
Interim	4.50	24	-	-
Final	9.00	-	-	-
Average Annual Return - %				
One year	53.00	94.75	11.38	-0.31
Two year	73.88	53.07	5.54	NA
Three year	53.04	35.27	NA	NA
Net (loss) / Income for the period – Rs. in million	272.6550	186.3210	18,260.942	(0.3442)
Distribution made during the year – Rs. in million	111.8300	148.2860	-	-
Accumulated Capital Growth – Rs. in million	160.8250	38.0350	18,260.942	(0.3442)

* Date of Distribution

2025	
Date	Rate
June 25, 2025	4.50
June 30, 2025	9.00

2024	
Date	Rate
June 25, 2024	24.00

2023	
Date	Rate
Nil	

2022	
Date	Rate
Nil	

Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

**PROXY ISSUED BY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

The Board of Directors of MCB Investment Management Limited (the Management Company of MCB Pakistan Dividend Yield Plan – MCB-PDYP) has an overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on the Management Company's website (www.mcbfunds.com).

During the financial year ended June 30, 2025, the Management Company on behalf of MCB-PDYP participated in nine (9) shareholders' meetings. The Management Company did not participate in shareholders' meetings in the cases which did not meet the criteria reported in Paragraph No. 8 and 9 of the Proxy Voting Policy and Procedures. Summary of actual proxies voted during the financial year are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	56	56	0	0	-
(%ages)	100	100	0	0	-

Detailed information regarding the actual proxies voted by the Management Company in respect of MCB-PDYP is available free of charge, upon request, to all Unit Holders.

MCB INVESTMENT MANAGEMENT LIMITED

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