



MCB FUNDS  
Investments for Life

# ANNUAL REPORT 2025

Funds Under Management of  
MCB Investment Management Limited



# **PAKISTAN CAPITAL MARKET FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid <b>Mr. Muhammad Nauman Chughtai</b> Mr. Khawaja Khalil Shah Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b> <b>Mr. Fahd Kamal Chinoy</b> Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Syed Savail Meekal Hussain Mr. Ahmed Jahangir <b>Mr. Manzar Mushtaq</b>	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Fahd Kamal Chinoy</b> Mr. Ahmed Jahangir Ms. Mavra Adil Khan <b>Mr. Khawaja Khalil Shah</b> <b>Mr. Muhammad Nauman Chughtai</b>	Chairman Member Member Member Member
<b>Credit Committee</b>	<b>Mr. Ahmed Jahangir</b> <b>Mr. Manzar Mushtaq</b> Syed Savail Meekal Hussain <b>Mr. Khawaja Khalil Shah</b>	Member Member Member Member
<b>Chief Executive Officer</b>	<b>Mr. Khawaja Khalil Shah</b>	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	<b>Mr. Muhammad Rehan Khan</b>	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdc-pakistan.com	
<b>Bankers</b>	<b>MCB Bank Limited</b> <b>Habib Metropolitan Bank Limited</b> <b>United Bank Limited</b> <b>Allied Bank Limited</b>	<b>National Bank of Pakistan</b> <b>Standard Chartered Bank Limited</b> <b>Zarai Traqiati Bank Limited</b> <b>Bank Al Habib Limited</b>
<b>Auditors</b>	<b>BDO Ibrahim &amp; Co.</b> Chartered Accountants 2nd Floor, Block-C, Lakson Square, Building No.1 Sarwar Shaheed Road, Karachi	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	
<b>Transfer Agent</b>	<b>MCB Investment Management Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Capital Market Fund's** accounts review for the year ended 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.

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

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 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 46.55% compared to the return of 50.87% posted by the benchmark.

On the equities front, the overall allocation stood at 68.0%. The exposure was mainly held in Commercial Banks and Cements. On the fixed income side, the fund maintained its exposure towards cash to benefit from attractive rates offered by banks.

The Net Assets of the Fund as at June 30, 2025 stood at Rs. 750 million as compared to Rs. 520 million as at June 30, 2024 registering an increase of 44.23%. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 23.80 as compared to opening NAV of Rs. 17.11 per unit as at June 30, 2024 showing an increase of Rs. 6.69 per unit.

### 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

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

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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.

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

### **Mutual Fund Industry Review**

The Net Assets of the open-end mutual funds industry increased by about 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

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

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.

### 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)

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

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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.;
- 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;

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

- 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:

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	-

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

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\* Resigned on December 21, 2024

\*\* Appointed on January 06, 2025

- n. No trades were carried out in the Units of the Fund 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.

### 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.

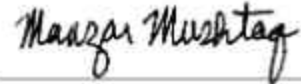
### ACKNOWLEDGMENT

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. ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، اور مینجمنٹ کمپنی کے چیف انٹرنل آڈیٹرز اور ان کی شریک حیات اور نابالغ بچوں کے ذریعہ سال کے دوران فنڈ کے یونٹس میں کوئی تجارت نہیں کی گئی۔

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، سکیورٹیز 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،

*Manzar Mushtaq*

منظر مشتاق

ڈائریکٹر

04 اگست 2025ء

*خواجه خلیل شاہ*

خواجه خلیل شاہ

چیف ایگزیکٹو آفیسر

04 اگست 2025ء

## ڈائریکٹرز رپورٹ

### 1. آڈٹ کمیٹی کی میٹنگ

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

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

### 2. ہیومن ریسورس اور ریویو نریشن کمیٹی کی میٹنگ

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

میٹنگز کی تعداد		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 تقرری 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 (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز، 2003، نان بینکنگ فنانس کمپنیز اینڈ ٹریڈ ریگولیشن 2008، متعلقہ ٹرسٹ ڈیڈ کے تقاضے اور سیکورٹیز 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/گریجویٹ 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 کھسکے یا فٹنگی 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 انڈپنڈنٹ 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 آراینڈ آر کمیٹی
3.	جناب احمد جہانگیر	نان-ایگزیکٹو ڈائریکٹر	ایچ آراینڈ آر کمیٹی، آڈٹ کمیٹی
4.	جناب منظر مشتاق	نان-ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی
5.	جناب سید ساویل میکان حسین	انڈپنڈنٹ ڈائریکٹر	آڈٹ کمیٹی (چیرمین)
6.	جناب فہد کمال چنائے	انڈپنڈنٹ ڈائریکٹر	ایچ آراینڈ آر کمیٹی (چیرمین)
7.	محترمہ ماوراء عادل خان	انڈپنڈنٹ ڈائریکٹر	ایچ آراینڈ آر کمیٹی
8.	جناب خواجہ خلیل شاہ	ایگزیکٹو ڈائریکٹر	ایچ آراینڈ آر کمیٹی

\* 'ایچ آراینڈ آر' ہیومن ریسورس اینڈ ریمیو نیشن 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۔

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 برآں، 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 ریسک کے ساتھ سرمایہ کاری کرنے والوں کے لیے موزوں ترین ہوتے ہیں۔ معاشی بحالی کے تیز تر اور وسیع تر ہونے کے ساتھ ساتھ کپیٹل مارکیٹس، خصوصاً ایکویٹیز، میں گہری دلچسپی برقرار رہے گی۔ ہمارے آپریشنز بلاؤٹ 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۔

ایشیائے 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 کھاد، 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 کھاد کے شعبوں میں سرمایہ کاروں کی دلچسپی مہذول ہوئی۔ ای اینڈ پی شعبہ بھی مرکز نگاہ بنا رہا کیونکہ MARI کی جانب سے 800 فیصد بونس کا اچانک اعلان ہوا، اور گردش قرضوں سے منسلک کمپنیوں کی نقدیت کی صورتحال بہتر ہوئی۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 46.55 فیصد منافع بنایا، جبکہ اس کے بالمقابل بیچ مارک نے 50.87 فیصد منافع پوسٹ کیا۔ ایکویٹیز کے محاذ پر مجموعی تقسیم 68.0 فیصد پر تھی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ میں تھی۔ گلسڈ انکم کی جہت میں فنڈ نے نقد میں سرمایہ کاری کو برقرار رکھا تاکہ بینکوں کی طرف سے پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جاسکے۔ 30 جون 2025ء کو فنڈ کے net اثاثہ جات 750 ملین روپے تھے، جبکہ اس کے بالمقابل 30 جون 2024ء کو 520 ملین روپے تھے، چنانچہ 44.23 فیصد اضافہ ہوا۔

30 جون 2025ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 23.80 روپے تھی، جبکہ اس کے بالمقابل 30 جون 2024ء کو ابتدائی این اے وی فی یونٹ 17.11 روپے تھی، چنانچہ 6.69 روپے فی یونٹ اضافہ ہوا۔

### 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 کثیرالجہتی 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 کثیرالجہتی ایجنسیوں کی طرف سے آمدات ہیں۔ ہماری خارجی صورتحال بہتر ہوئی ہے جس کی بدولت پاکستان بین الاقوامی کیپیٹل مارکیٹوں میں دوبارہ داخل ہونے پر غور کرنے کے قابل ہو سکتا ہے تاکہ Euro بانڈز، سٹاک اور پابند اباٹڈ 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۔

ایکوٹی مارکیٹ کا جائزہ

ایکوٹی 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۔ گردشی قرض کے حوالے سے حکومتی اقدامات اور 1.3 بلین ڈالر کے آریس 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 'فرنٹینئر 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۔

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیپیٹل مارکیٹ فنڈ کے اکاؤنٹس برائے سال مختتمہ 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 ایکسٹینشنڈ 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، جسے 28 ماہ پر محیط ایک نئی ریزیلیئنس اینڈ سسٹینیبلی 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 منگ کا کرنٹ اکاؤنٹ سِرپلس 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 ترسیلاتِ 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۔ منگ 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 سِرپلس، بروقت دو طرفہ رول اوور (قرض کے معاہدوں میں توسیع) اور آئی ایم ایف اور کثیرالجہتی 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) افراطِ زر، جس کی ترجمانی 'سی پی آئی' سے ہوتی ہے، کا اوسط 4.6 فیصد تھا، جس کے بالمقابل گزشتہ سالہ 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 ایشیائی خورد و نوش اور توانائی کی قیمتیں مستحکم رہیں۔ مزید برآں، گندم کی قیمتوں اور base کے اثر میں بڑی کمی کے نتیجے میں افراطِ زر میں مزید کمی ہوئی۔

مالی سال 2025ء میں پاکستان کی پراویٹل 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 وجوہ بلند

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

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### Fund Type and Category

Pakistan Capital Market Fund (PCMF) is an Open-End Balanced Scheme

### Fund Benchmark

60% of KSE-100 Index + 40% of 75% Six (6) months KIBOR rates + 25% Six (6) months average of the highest rates on savings account of three (3) AA rated scheduled bank as selected by MUFAP.

### Investment Objective

The objective of the Fund is to maximize returns available from Pakistan's capital market by investing the Fund Property in equity as well as debt instruments while diversifying the risk within the market.

### Investment Strategy

Pakistan Capital Market Fund (PCM) is an open-end balanced fund that invests in a range of asset classes such as equity and debt in Pakistani market. The asset allocation to equities and debt is made on the basis of relative attractiveness of each asset class. The investment process is driven by fundamental research. For equities investment, fundamental outlook of sectors/companies and DCF (Discounted Cash Flow) valuations are the primary factors in sectors' allocation and stock selection. For debt investment, interest rate outlook is the key determining factor and allocation to this segment is increased when the yields are comparatively higher compared to the total returns on equities. Investment is made in corporate bonds (investment grade) and government bonds. Cash is kept in deposits with highly rated banks. PCM is a long only Fund and cannot undertake leveraged investments. Under the NBFC Rules, it is only allowed to borrow up to 15% of net assets for up to 90 days to meet redemption needs.

### Manager's Review

During the period under review, the fund posted a return of 46.55% compared to the return of 50.87% posted by the benchmark.

At the period end, allocation towards equities stood at 68.0% while 29.1% was in cash. The exposure was mainly held in Commercial Banks, Cements and Fertilizer.

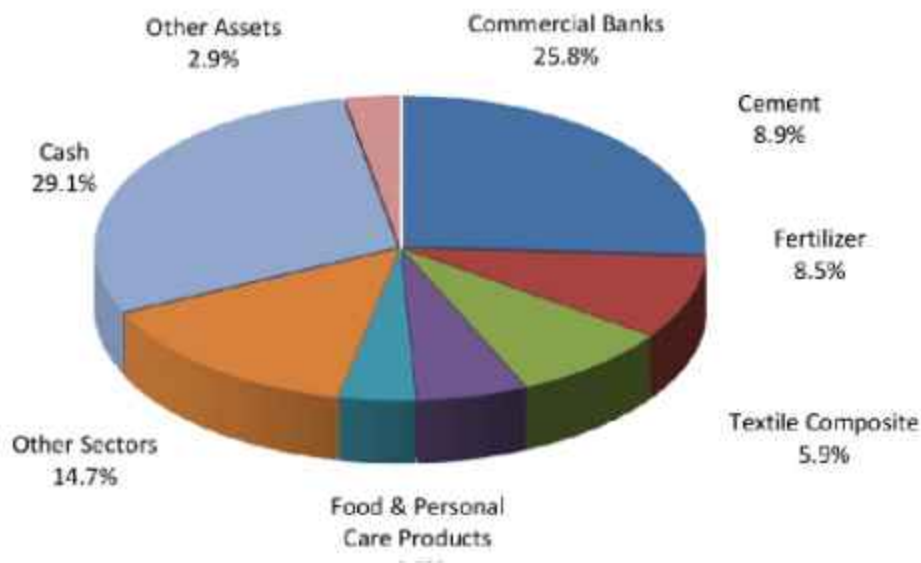
The Net Assets of the Fund as at June 30, 2025 stood at Rs. 750 million as compared to Rs. 520 million as at June 30, 2024 registering an increase of 44.2%. The Net Asset Value (NAV) per unit as at June 30, 2025 was Rs. 23.80 as compared to opening NAV of Rs. 17.11 per unit as at June 30, 2024 showing an increase of Rs. 6.69 per unit.

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

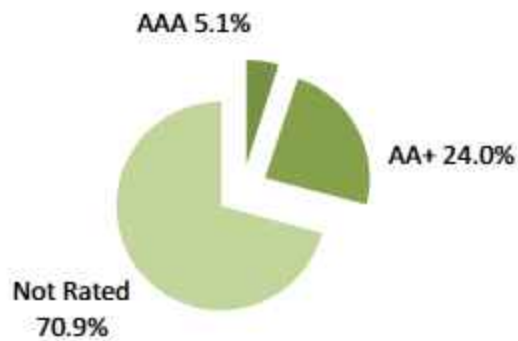
Asset Allocation (%age of Total Assets)	Jun-25
Cash	29.1%
Stocks / Equities	68.0%
Others including receivables	2.9%

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

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



## Asset Quality as on June 30, 2025 (% 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 Shahr-e-Faisal  
Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcPakistan.com  
Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### PAKISTAN CAPITAL MARKET 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 Pakistan Capital Market 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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Lakson Square, Building No.1  
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Pakistan

## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF PAKISTAN CAPITAL MARKET FUND

### Opinion

We have audited the financial statements of **Pakistan Capital Market 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 ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, 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 year. 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><b>Existence and valuation of investments</b></p> <p>As disclosed in note 6 to the accompanying financial statements of the Fund for the year ended June 30, 2025, the investments held by Fund comprised of equity instruments amounting to Rs. 517.555 million which represents 69% 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"><li>• Evaluated the design and implementation of key controls over investment, and tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li><li>• 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).</li></ul>

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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.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking Companies and Notified Entities Regulations, 2008.

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## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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

KARACHI

DATED: 04 SEP 2025

UDIN:AR202510166kFTEoKxZ9

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

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

	Note	2025 (Rupees in '000)	2024
<b>ASSETS</b>			
Balances with banks	5	222,058	157,443
Investments	6	517,555	365,368
Profit receivables on bank deposit	7	7,870	2,942
Advances, deposits and other receivables	8	14,521	9,921
<b>Total assets</b>		<b>762,004</b>	<b>535,674</b>
<b>LIABILITIES</b>			
Payable to MCB Investment Management Limited - Management Company	9	2,403	1,924
Payable to Central Depository Company of Pakistan Limited - Trustee	10	29	96
Payable to the Securities and Exchange Commission of Pakistan	11	51	36
Payable against purchase of investment		-	2,660
Payable against redemption of units		-	216
Accrued and other liabilities	12	9,756	10,375
<b>Total liabilities</b>		<b>12,239</b>	<b>15,307</b>
<b>NET ASSETS</b>		<b>749,765</b>	<b>520,367</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>749,765</b>	<b>520,367</b>
<b>Contingencies and commitments</b>	13	<b>(Number of units)</b>	
<b>NUMBER OF UNITS IN ISSUE</b>	14	<b>31,505,019</b>	<b>30,406,586</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>23.8000</b>	<b>17.1100</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

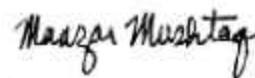
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	2025 ———— (Rupees in '000) ————	2024 ———— (Rupees in '000) ————
<b>INCOME</b>			
Capital gain on sale of investments - net		95,731	93,451
Dividend income		43,280	24,843
Income from government securities		-	2,825
Profit on bank deposits		23,734	24,395
Income on deposit with NCCPL against exposure margin		190	288
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.2	112,444	102,430
<b>Total income</b>		<b>275,379</b>	<b>248,232</b>
<b>EXPENSES</b>			
Remuneration of MCB Investment Management Limited- Management Company	9.1	22,253	13,625
Sindh sales tax on remuneration of the Management Company	9.2	3,338	1,771
Allocated expenses	9.3	-	375
Selling and marketing expenses	9.4	-	1,246
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,279	871
Sindh sales tax on remuneration of the trustee	10.2	192	113
Annual fee to the Securities and Exchange Commission of Pakistan	11	544	370
Securities transaction costs		1,687	1,363
Settlement and bank charges		509	498
Auditors' remuneration	15	858	741
Printing and related costs		-	33
Legal and professional charges		203	191
<b>Total expenses</b>		<b>(30,863)</b>	<b>(21,197)</b>
<b>Net income for the year before taxation</b>		<b>244,516</b>	<b>227,035</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>244,516</b>	<b>227,035</b>
<b>Allocation of net income for the year:</b>			
Net income for the year		244,516	227,035
Income already paid on units redeemed		(10,479)	(40,457)
		<b>234,037</b>	<b>186,578</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		198,415	195,846
- Excluding capital gains		35,623	(9,269)
		<b>234,037</b>	<b>186,578</b>
<b>Earnings per unit</b>	17		

The annexed notes from 1 to 29 form an integral part of these financial statements.

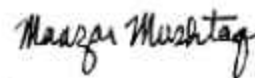
For MCB Investment Management Limited  
(Management Company)



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 after taxation	244,516	227,035
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>244,516</u>	<u>227,035</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

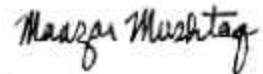
For MCB Investment Management Limited  
(Management Company)



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)					
<b>Net assets at beginning of the year</b>	339,350	181,017	520,367	311,562	21,433	332,995
<b>Issuance of 7,525,084 units (2024: 12,827,286 units)</b>						
Capital value	128,754	-	128,754	136,226	-	136,226
Element of income	35,120	-	35,120	58,547	-	58,547
<b>Amount received on issuance of units</b>	163,874	-	163,874	194,773	-	194,773
<b>Redemption of 6,426,651 units (2024: 12,627,813 units)</b>						
Capital value	(109,960)	-	(109,960)	(134,107)	-	(134,107)
Element of loss	(20,685)	(10,479)	(31,164)	(15,912)	(40,457)	(56,369)
<b>Amount paid on redemption of units</b>	(130,645)	(10,479)	(141,124)	(150,019)	(40,457)	(190,476)
Total comprehensive income for the year	-	244,516	244,516	-	227,034	227,034
Distribution during the year	(974)	(36,894)	(37,868)	(16,966)	(26,993)	(43,959)
<b>Net income for the year less distribution</b>	(974)	207,622	206,648	(16,966)	200,041	183,075
<b>Net assets at end of the year</b>	371,605	378,160	749,765	339,350	181,017	520,367
<b>Undistributed income brought forward comprising of:</b>						
- Realised		78,587			27,052	
- Unrealised		102,430			(5,619)	
		181,017			21,433	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		198,415			195,846	
- Excluding capital gains		35,623			(9,269)	
		234,038			186,577	
Distribution during the year		(36,894)			(26,993)	
<b>Undistributed income carried forward</b>		378,160			181,017	
<b>Undistributed income carried forward comprising of:</b>						
- Realised income		265,716			78,587	
- Unrealised income		112,444			102,430	
		378,160			181,017	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit at beginning of the year		17.1100			11.0200	
Net asset value per unit at end of the year		23.8000			17.1100	

The annexed notes from 1 to 29 form an integral part of these financial statements.

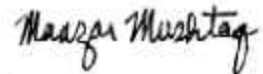
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	2025	2024
	(Rupees in '000)	(Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	244,516	227,034
<b>Adjustments for non-cash and other items:</b>		
Capital gain on sale of investments - net	(95,731)	(93,451)
Dividend income	(43,280)	(24,843)
Income from government securities	-	(2,825)
Profit on bank deposits	(23,734)	(24,395)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(112,444)	(102,430)
	<u>(30,673)</u>	<u>(20,910)</u>
Decrease / (increase) in assets		
Investments	55,988	132,304
Advances, deposits and other receivable	(4,600)	(4,993)
	51,388	127,311
(Decrease) / Increase in liabilities		
Payable to MCB Investment management Limited - Management Company	479	851
Payable to Central Depository Company of Pakistan Limited - Trustee	(67)	31
Payable to the Securities and Exchange Commission of Pakistan	15	(34)
Payable against purchase of investment	(2,660)	(6,060)
Payable against redemption of units	(216)	-
Accrued and other liabilities	(619)	553
	(3,068)	(4,659)
Profit received on bank deposit	18,806	23,209
Dividend received	43,280	24,843
<b>Net cash flows generated from operating activities</b>	<u>79,732</u>	<u>149,794</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	163,874	194,773
Payment against redemption of units	(141,124)	(190,476)
Distribution paid during the year	(37,868)	(43,959)
Net cash used in financing activities	<u>(15,118)</u>	<u>(39,662)</u>
Net increase in cash and cash equivalents during the year	64,614	110,132
Cash and cash equivalents at beginning of the year	157,443	47,311
Cash and cash equivalents at end of the year	5 222,058	157,443

The annexed notes from 1 to 29 form an integral part of these financial statements.

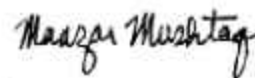
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between MCB Investment Management Limited (the Company) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Funds are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 13, 2021 the Trust Deed of the fund had been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.

1.3 Pakistan Capital Market Fund as a closed-end scheme was authorized by the SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorized as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities, secured debt securities, money market transactions and reverse re-purchase transactions.

1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at dated October 04, 2024.

1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

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

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### **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. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC rules), the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

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

#### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, unless stated otherwise.

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.

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

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### 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:

#### **Classification and valuation of investments**

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

#### **Impairment of investment**

For details please refer notes 4.2.1.2 and 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.

	<b>Effective date (annual periods beginning on or after)</b>
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

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

	<b>Effective date (annual periods beginning on or after)</b>
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	January 01, 2024

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

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.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	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)

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

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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)

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.

### **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 and financial liabilities**

###### **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

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

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- 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.

### **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 realised 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 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).

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

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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.

In contrast, contractual terms that introduce a more than the minimum 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 & measurement**

Investments are initially measured at their fair value plus transaction costs except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

### **Subsequent Measurement**

#### **Debt instruments at amortized cost**

After initial measurement, such debt instruments are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

#### **Debt instruments at fair value through profit or loss**

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

#### **Debt instruments at fair value through other comprehensive income**

Financial assets at FVOCI are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

On initial recognition, a financial asset is classified as measured at: amortized cost or fair value through profit and loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset 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

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A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

### 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.

### 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 recognized 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 and deposits, dividend and mark-up receivable and bank balances.

### 4.2.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognized 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.

### 4.2.2 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.

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

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

### **4.2.1.7 Offsetting of financial assets and financial 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 recognised 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 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash 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 realised or unrealised, to its unit holders.

### **4.5 Proposed distributions**

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

### **4.6 Issue 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.

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. Redemption of units is recorded on acceptance of application for redemption.

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

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### 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 year. 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**

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Mark up / return on bank deposits is recognised on a time apportionment basis using effective rate.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss are included in the Income Statement in the year in which they arise.

### 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.

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

**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.

	Note	2025 ————— (Rupees in '000) —————	2024 ————— (Rupees in '000) —————
<b>5. BANK BALANCES</b>			
In current accounts		6,657	2,790
In saving accounts	5.1	215,401	154,653
	5.2	<u>222,058</u>	<u>157,443</u>

5.1 These carry mark-up at the rates ranging from 7% to 19% per annum (2024: 19% to 20.5% per annum).

5.2 These include balances held with related party of Rs. 9.471 million (2024: Rs. 1.753 million) with MCB Bank Limited.

**6. INVESTMENTS**

Investments at fair value through profit or loss

Listed equity securities	6.1	517,556	365,368
		<u>517,556</u>	<u>365,368</u>

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

## 6.1 Listed equity securities

Listed equity securities 'at fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 1, 2024	Purchased during the period	Sold during the period	As at June 30, 2025	As at June 30, 2025			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					Carrying Value	Market value	Unrealised (diminution)/ appreciation	Net assets of the funds	Total investments	
<b>Automobile Assembler</b>										
Indus Motors Company Limited	-	3,700	-	3,700	7,251	6,422	(830)	0.86	1.24	0.00
Sazgar Engineering Works Limited	-	6,300	-	6,300	7,057	7,181	124.20	0.96	1.39	0.01
					14,308	13,602	(706)	1.82	2.63	0.02
<b>Automobile Parts And Accessories</b>										
Thal Limited	15,500	-	15,500	-	-	-	-	-	-	-
<b>Cement</b>										
D.G. Khan Cement Company Limited **	-	18,000	18,000	-	-	-	-	-	-	-
Fauji Cement Company Limited***	683,000	592,000	1,075,000	200,000	5,120	8,934	3,814	1.19	1.73	0.01
Pioneer Cement Limited	38,000	32,800	54,000	16,800	3,654	3,833	179	0.51	0.74	0.01
Cherat Cement Company Limited	-	107,000	18,000	89,000	24,410	25,837	1,427	3.45	4.99	0.05
Gharibwal Cement Limited	-	40,000	40,000	-	-	-	-	-	-	-
Lucky Cement Limited***	45,750	105,200	67,750	83,200	15,088	29,556	14,468	3.94	5.71	0.03
Maple Leaf Cement Factory Limited***	417,000	-	417,000	-	-	-	-	-	-	-
					48,272	68,159	19,887	9.09	13.17	0.09
<b>Chemicals</b>										
Itched Chemicals Limited	30,000	85,000	19,000	96,000	4,406	7,489	3,083	1.00	1.45	0.10
Nimir Industrial Chemicals Limited	20,000	28,510	-	48,510	5,886	7,618	1,732	1.02	1.47	0.04
Lucky Core Industries Limited	1,250	-	1,250	-	-	-	-	-	-	-
Archroma Pakistan Limited	5,900	-	5,900	-	-	-	-	-	-	-
					10,293	15,107	4,815	2	3	0.14
<b>Commercial Banks</b>										
Bank Al Falah Limited***	443,000	365,000	2,050	805,950	53,823	64,669	10,847	8.63	12.50	0.05
Habib Bank Limited	203,500	110,502	108,427	205,575	26,693	36,837	10,144	4.91	7.12	0.01
Habib Bank Limited	264,500	-	264,500	-	-	-	-	-	-	-
Meezan Bank Limited	84,500	119,313	203,813	-	-	-	-	-	-	-
National Bank Of Pakistan	137,300	365,700	122,000	381,000	21,978	41,411	19,433	5.52	8.00	0.02
United Bank Limited*&***	44,000	202,000	50,000	196,000	39,577	54,086	14,509	7.21	10.45	0.02
					142,071	197,004	54,933	26.27	38.06	0.10
<b>Engineering</b>										
Mughal Iron & Steel Industries Limited	-	90,000	-	90,000	7,232	6,491	(741)	0.87	1.25	0.03
					7,232	6,491	(741)	0.87	1.25	0.03
<b>Fertilizer</b>										
Engro Fertilizer Limited	-	240,000	78,000	162,000	33,589	30,066	(3,523)	4.01	5.81	0.01
Falima Fertilizer Company Limited	-	380,000	30,000	350,000	24,585	34,794	10,209	4.64	6.72	0.02
Fauji Fertilizer Bin Qasim Limited	150,000	-	150,000	-	-	-	-	-	-	-
					58,174	64,859	6,685	8.65	12.53	0.03
<b>Food &amp; Personal Care Products</b>										
Barkat Frisian Agro Limited	-	440,034	-	440,034	8,009	18,019	10,011	2.40	3.48	1.42
National Foods Limited <sup>2</sup>	29,000	40,000	29,000	40,000	7,240	13,089	5,849	1.75	2.53	0.02
					15,249	31,109	15,860	4.15	6.01	1.44
<b>Glass &amp; Ceramics</b>										
Shabbir Tiles & Ceramics Limited <sup>2</sup>	370,000	-	254,574	115,426	1,674	1,626	(47)	0.22	0.31	0.05
Ghani Glass Limited	-	120,000	-	120,000	3,467	5,453	1,986	0.73	1.05	0.01
					5,141	7,079	1,939	0.95	1.37	0.06
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	100,000	140,000	240,000	-	-	-	-	-	-	-
<b>Oil &amp; Gas Exploration Company</b>										
Oil & Gas Development Company Limited	-	17,000	17,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	6,000	-	6,000	3,384	3,541	157	0.47	0.68	0.00
Pakistan Petroleum Limited	-	109,000	67,000	42,000	6,844	7,147	303	0.95	1.38	0.00
					10,228	10,688	460	1.42	2.07	0.00
<b>Balance carried forward</b>					<b>310,968</b>	<b>414,098</b>	<b>103,133</b>			

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

Name of the investee company	As at July 1, 2024	Purchased during the period	Sold during the period	As at June 30, 2025	As at June 30, 2025			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					Carrying Value	Market value	Unrealised (diminution)/ appreciation	Net assets of the funds	Total investments	
					Rupees in '000'			%		
<b>Balance brought forward</b>					310,968	414,098	183,133			
<b>Oil &amp; Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	30,000	32,000	62,000	-	-	-	-	-	-	-
<b>Pharmaceuticals</b>										
AGP Limited	105,000	107,000	132,000	80,000	13,437	15,277	1,839	2.04	2.95	0.03
Abbott Laboratories (Pakistan) Limited	7,400	3,200	10,600	-	-	-	-	-	-	-
Citi Pharma Limited	266,500	-	266,500	-	-	-	-	-	-	-
The Scarle Company Limited	-	95,000	95,000	-	-	-	-	-	-	-
Ferrous Laboratories Limited	17,800	10,200	28,000	-	-	-	-	-	-	-
Glaxosmithkline Pakistan	31,095	69,405	100,500	-	-	-	-	-	-	-
Halcon Pakistan Limited	37,700	-	37,700	-	-	-	-	-	-	-
Highnoon Laboratories Limited	9,355	-	9,355	-	-	-	-	-	-	-
					13,437	15,277	1,839	2.04	2.95	0.03
<b>Paper and Board</b>										
Packages Limited	18,400	-	6,400	12,000	6,425	6,655	230	0.89	1.29	0.01
					6,425	6,655	230	0.89	1.29	0.01
<b>Refinery</b>										
Attock Refinery Limited	-	34,000	34,000	-	-	-	-	-	-	-
<b>Miscellaneous</b>										
Pakistan Hotels Developers Limited	-	13,500	13,500	-	-	-	-	-	-	-
<b>Power Generation And Distribution</b>										
Hub Power Company Limited	101,000	38,000	139,000	-	-	-	-	-	-	-
Nishat Power Limited**	-	225,000	225,000	-	-	-	-	-	-	-
Nishat (Chunian) Power Limited	275,000	60,000	68,000	267,000	8,034	6,491	(1,543)	0.87	1.25	0.11
					8,034	6,491	(1,543)	0.87	1.25	0.11
<b>Tobacco</b>										
Pakistan Tobacco Company Limited	10,450	1,000	4,450	7,000	7,747	8,896	1,150	1.19	1.72	0.00
					7,747	8,896	1,150	1.19	1.72	0.00
<b>Technology &amp; Communication</b>										
Pakistan Telecommunication Company Ltd	-	707,000	707,000	-	-	-	-	-	-	-
Systems Limited	37,000	113,000	8,750	141,250	11,817	15,134	3,317	2.02	2.92	0.05
					11,817	15,134	3,317	2.02	2.92	0.05
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	215,022	185,000	215,022	185,000	4,739	5,082	342	0.68	0.98	0.02
Interloop Limited	190,000	108,898	48,898	250,000	17,849	16,940	(909)	2.26	3.27	0.02
Nishat (Chunian) Limited	341,094	560,000	341,094	560,000	18,897	23,027	4,130	3.07	4.45	0.23
					41,486	45,048	3,563	6.01	8.70	0.28
<b>Insurance</b>										
Jubilee General Insurance Limited	-	100,000	-	100,000	5,198	5,956	758	0.79	1.15	0.05
					5,198	5,956	758	0.79	1.15	0.05
<b>Total at June 30, 2025</b>					<b>485,112</b>	<b>517,555</b>	<b>112,446</b>			
<b>Total at June 30, 2024</b>					<b>262,938</b>	<b>365,368</b>	<b>182,430</b>			

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

\*\* These represents transactions in shares of related parties

\*\*\* These represents pledge securities (note 5.1.1)

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by SECP:

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

Name of security	2025	2024	2025	2024
	(Number of shares)		(Rupees in '000)	
Bank Alfalah Limited	545,000	30,000	43,731	2,041
United Bank Limited	-	44,000	-	11,275
Maple Leaf Cement Factory Limited	-	100,000	-	3,800
Fauji Cement Company Limited	186,000	500,000	8,309	11,455
Lucky Cement Limited	16,000	-	5,684	-
	747,000	674,000	57,723	28,570

6.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. During the year ended June 30, 2020, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As per the new Finance Act, 2023, tax on bonus shares has been re-introduced. Earlier such tax was introduced through Finance Act, 2014 and omitted through Finance Act 2018. Finance Act 2023 reintroduces the above taxation measure by amending the definition of "income" expanding from other sources and introducing a withholding tax provision @ 10% of payment of tax on Bonus shares ( i.e: section 236Z) which is effect from July 01, 2023.

As at June 30, 2025, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.5997 million (2024: 0.45).

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

	Note	2025	2024
		(Rupees in '000)	
<b>6.2</b>	<b>Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net</b>		
	Market value of investments	517,555	365,368
	Less: carrying value of investments	(405,112)	(262,938)
		<u>112,444</u>	<u>102,430</u>
<b>7.</b>	<b>PROFIT RECEIVABLES</b>		
	Deposit accounts	7,870	2,942
		<u>7,870</u>	<u>2,942</u>
<b>8.</b>	<b>ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>		
	Advance tax	499	944
	Security deposits:		
	- National Clearing Company of Pakistan Limited	3,817	3,817
	- Central Depository Company of Pakistan Limited	300	300
	Receivable Against Bonus Shares Withheld	203	203
	Other receivables	11	5
	Receivable against sale of securities	9,691	4,652
		<u>14,521</u>	<u>9,921</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. However, withholding tax on sale of shares, profit on bank balances and dividends to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR.

On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on profit against sale of shares, profit on bank balances and dividends has been shown as advance tax under 'Advances, deposits and other receivables' as at June 30, 2025 as, in the opinion of the management is of the view that, the amount of tax deducted at source will be refunded.

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

	Note	2025 —— (Rupees in '000) ——	2024
<b>9. PAYABLE TO THE MCB INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration	9.1	2,090	1,328
Sindh Sales Tax payable on management remuneration	9.2	313	173
Allocated expenses payable	9.3	-	34
Selling and marketing expenses payable	9.4	-	389
		2,403	1,924

9.1 As per regulation 60 of the NBFC Regulations, 2008, the Management Company of the Fund is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3.48% (2024: 3.1% per annum) of the average daily net assets of the Fund during the year ended June 30, 2025. The remuneration is payable to the Management Company on monthly 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. During the year the fund has not changed allocated 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. During the year the fund has not changed selling and Marketing Expenses.

	Note	2025 —— (Rupees in '000) ——	2024
<b>10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	10.1	25	85
Sindh sales tax on trustee remuneration	10.2.	4	11
		29	96

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on the average daily net assets of the Fund during the year. The tariff structure applicable to the Fund in respect of trustee remuneration is as follows:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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<b>Average net asset value</b>	<b>Tariff per annum</b>
Up to Rs.1,000 million	0.20% per annum of net assets
Amount exceeding Rs.1,000 million	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

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

**11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Annual fee	11.1	51	36
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11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the SRO No. 592(I)/2023 dated May 17, 2023 issued by SECP, the Fund has charged SECP fee at the rate of 0.085% (June 30, 2024: 0.085%) of the average daily net assets of the Fund during the year. It is required to be paid within 15 days of the close of every calendar month.

**12. ACCRUED AND OTHER LIABILITIES**

Provision for Federal Excise Duty	12.1		
- On management remuneration		5,872	5,872
- Sales load		393	393
Legal and professional charges payable		38	39
Withholding tax payable		47	447
Dividend payable		2,783	2,783

**2025**                      **2024**  
— (Rupees in '000) —

Auditors' remuneration payable		589	498
Brokerage payable		34	104
Other payable		-	239
		<u>9,756</u>	<u>10,375</u>

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

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 6.27 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2025 would have been higher by Rs 0.20 (2024: Rs 0.21) per unit.

**13. CONTINGENCIES AND COMMITMENTS**

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

**14. NUMBER OF UNITS IN ISSUE**

Total units in issue at the beginning of the year	30,406,586	30,207,113
Add: Unit issued during the year	7,525,084	12,827,286
Less: Units redeemed during the year	<u>(6,426,651)</u>	<u>(12,627,813)</u>
Total units in issue at the end of the year	<u>31,505,019</u>	<u>30,406,586</u>

	2025	2024
Note	— (Rupees in '000) —	—
<b>15. AUDITORS' REMUNERATION</b>		
Annual audit fee	400	340
Half yearly review fee	200	170
Other certification and services	100	80
	<u>700</u>	<u>590</u>
Out of pocket expenses and taxes	158	151
	<u>858</u>	<u>741</u>

**16. 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 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.

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

**17. EARNING PER UNIT**

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

**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 owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

**18.1 Details of transaction with connected persons are as follows:**

	2025	2024
	—— (Rupees in '000) ——	
<b>MCB - Investment Limited - Management Company</b>		
Remuneration including indirect taxes	25,591	15,396
Allocated Expenses	-	375
Selling and Marketing Expenses	-	1,246
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	1,471	984
CDS charges	57	53
<b>MCB Bank Limited</b>		
Bank charges	24	14
Mark-up income	272	185

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2025	2024
	—— (Rupees in '000) ——	
<b>D.G. Khan Cement Limited</b>		
Purchase 18,000 (2024: 145,500) shares	1,656	7,236
Sale 18,000 (2024: 373,500) shares	1,741	18,515
<b>International Steels Limited</b>		
Purchase Nil (2024:140,000) shares	-	6,664
Sale Nil (2024:140,000) shares	-	10,253
Dividend Income	-	625
<b>Nishat Mills Limited</b>		
Purchase Nil (2024:32,000) shares	-	2,331
Sale Nil (2024: 32,000) shares	-	2,289
<b>Nishat Power Limited</b>		
Purchase 225,000 (2024:Nil) shares	5,625	-
Sale 225,000 (2024: 32,000) shares	8,186	-
Dividend Income	450	-

**18.2 Amount outstanding at the year end**

**MCB - Investment Limited - Management Company**

Management remuneration payable	2,090	1,328
Sindh sales tax on management remuneration	313	173
Allocated expense payable	-	34
Marketing & Selling expense payable	-	389

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	2025	2024
	—— (Rupees in '000) ——	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposit	300	300
Trustee remuneration payable	25	85
Sindh sales tax payable on trustee remuneration	4	11
<b>MCB Bank Limited</b>		
Balance with Bank	9,471	1,753
Profit receivable on bank deposit	24	-

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

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

2025							
As at July 01, 2024	Issued for cash / conversion in / transferred in	Redeemed/ conversion out / transfer out	As at June 30, 2025	As at July 01, 2024	Issued for cash / conversion in / transferred in	Redeemed/ conversion out / transfer out	As at June 30, 2025
(Units)			(Rupees in '000)				
<b>Key management personnel * &amp; **</b>	8	-	-	8	0.13	-	0.18
<b>10% or more unitholders</b>	3,831,548	174,348	-	4,005,896	85,572	8,880	718

\* This reflects the position of related party / connected person status as at June 30, 2025

\*\* Nil figure due to rounding off

2024							
As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed/ conversion out / transfer out	As at June 30, 2024	As at July 01, 2023	Issued for cash / conversion in / transferred in	Redeemed/ conversion out / transfer out	As at June 30, 2024
(Units)			(Rupees in '000)				
<b>Key management personnel * &amp; **</b>	8	1	-	9	0.08	-	0.15
<b>10% or more unitholders</b>	3,500,802	3,943,627	3,612,880	3,831,548	38,579	66,542	65,352

\* This reflects the position of related party / connected person status as at June 30, 2024.

\*\* Nil figure due to rounding off

**19. FINANCIAL RISK MANAGEMENT**

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The fund preliminarily invest in a portfolio of equity securities. These Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

**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 the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

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

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**(i) 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 does not hold any financial instrument in foreign currencies and hence is not exposed to such risk.

**(ii) Yield / Interest rate risk**

Yield / Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2025, the Funds is exposed to such risk on balances with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

**a) Sensitivity analysis of variable rate instruments**

As at June 30, 2025, the Fund holds KIBOR based bank deposits exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR at year end, the net assets value of the Fund and the net income for the year would be higher / lower by Rs 2.19 million (2024: Rs 1.55 million).

**b) Sensitivity analysis of fixed rate instruments**

As at June 30, 2025, the Fund does not hold any financial instruments exposing the Fund to fair value interest rate risk.

The composition of the fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

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

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

2025						
Yield / effective interest rate (%)	Exposed to yield / Interest rate risk			Not exposed to yield / Interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
<b>On-balance sheet financial instruments</b>						
(Rupees in '000)						
<b>Financial Assets</b>						
Balances with banks	7% to 19%	215,401	-	-	6,657	222,058
Investments						
at fair value through profit or loss						
- Listed equity securities		-	-	-	517,556	517,556
Profit receivables on bank deposit		-	-	-	7,870	7,870
Security deposits and other receivable		-	-	-	14,022	14,022
		215,401	-	-	546,105	761,506
<b>Financial Liabilities</b>						
Payable to the MCB Investment Management Limited						
- Management Company		-	-	-	2,090	2,090
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	25	25
Accrued and other liabilities		-	-	-	3,444	3,444
		-	-	-	5,559	5,559
<b>On-balance sheet gap (a)</b>		215,401	-	-	540,546	755,947
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		215,401	-	-	-	-
<b>Cumulative profit rate sensitivity gap</b>		215,401	215,401	215,401	-	-

2024						
Yield / effective interest rate (%)	Exposed to Yield / Interest rate risk			Not exposed to Yield / Interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
<b>On-balance sheet financial instruments</b>						
(Rupees in '000)						
<b>Financial Assets</b>						
Balances with banks	19% to 20.5%	154,653	-	-	2,790	157,443
Investments						
at fair value through profit or loss						
- Listed equity securities		-	-	-	365,368	365,368
Profit receivables on bank deposit		-	-	-	2,942	2,942
Security deposits and other receivable		-	-	-	8,977	8,977
		154,653	-	-	380,077	534,730
<b>Financial Liabilities</b>						
Payable to the MCB Investment Management Limited						
- Management Company		-	-	-	1,751	1,751
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	85	85
Payable against purchase of investment		-	-	-	2,660	2,660
Payable against redemption of units		-	-	-	216	216
Accrued and other liabilities		-	-	-	3,663	3,663
		-	-	-	8,375	8,375
<b>On-balance sheet gap (a)</b>		154,653	-	-	371,702	526,355
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total profit rate sensitivity gap (a+b)</b>		154,653	-	-	-	-
<b>Cumulative profit rate sensitivity gap</b>		154,653	154,653	154,653	-	-

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

**(iii) 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 profit rate 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. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 5.1.

The following table illustrates the sensitivity of the profit for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each statement of assets and liabilities date with all other variables held constant.

	<b>2025</b>	<b>2024</b>
	<b>— (Rupees in '000) —</b>	
Investments	25,878	18,268
Income statement	25,878	18,268

**19.2 Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	<b>2025</b>		<b>2024</b>	
	<b>Balance as per statement of</b>	<b>Maximum exposure to credit risk</b>	<b>Balance as per statement of</b>	<b>Maximum exposure to credit risk</b>
	<b>(Rupees in '000)</b>			
Balances with banks	222,058	222,058	157,443	157,443
Listed equity securities	517,556	517,556	365,368	365,368
Dividend and profit receivable	7,870	7,870	2,942	2,942
Security deposits and other receivable	14,022	14,022	4,122	4,122
	761,506	761,506	529,875	529,875

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

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2025 and June 30, 2024:

<b>Bank balances by rating category</b>	<b>2025</b>	<b>2024</b>
	———— % ————	———— % ————
AAA	17.35	14.13
AA+	82.65	85.86
	100	100

**Concentration of credit risk**

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

The Fund's major bank balance is held with one bank. Management believes that such bank is a reputed institution and a related party.

**19.3 Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemption requests on a regular basis. Units are redeemable at the holders' option based on the Fund's net asset value per unit, at the time of redemption, calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.

In order to manage the Fund's overall liquidity, the Fund also has the option 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. Further, the Fund also has the ability to suspend redemptions of units with the approval of the Board of Directors of the Management Company in extraordinary circumstances.

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

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

2025						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

**Financial liabilities**

Payable to MCB Investment Management

Limited - Management Company

Payable to Central Depository Company

of Pakistan Limited - Trustee

Accrued and other liabilities

2,090	-	-	-	-	-	2,090
25	-	-	-	-	-	25
3,444	-	-	-	-	-	3,444
<u>5,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,559</u>

2024						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

**Financial liabilities**

Payable to MCB Investment Management

Limited - Management Company

Payable to Central Depository Company

of Pakistan Limited - Trustee

Payable against purchase of investment

Payable against redemption of units

Accrued and other liabilities

1,751	-	-	-	-	-	1,751
85	-	-	-	-	-	85
2,660	-	-	-	-	-	2,660
216	-	-	-	-	-	216
3,663	-	-	-	-	-	3,663
<u>8,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,375</u>

**19.4. FINANCIAL INSTRUMENTS BY CATEGORY**

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

(Rupees in '000)

**Financial Assets**

Balances with banks

Investments

Profit receivables on bank deposit

Security deposits and other receivable

222,058	-	222,058
-	517,556	517,556
7,870	-	7,870
14,022	-	14,022
<u>243,950</u>	<u>517,556</u>	<u>761,506</u>

**Financial Liabilities**

Payable to the MCB Investments Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited- Trustee

Accrued and other liabilities

2,090	-	2,090
25	-	25
3,444	-	3,444
<u>5,559</u>	<u>-</u>	<u>5,559</u>

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

2024		
At amortised cost	Assets at fair value through profit or loss	Total
(Rupees in '000)		
<b>Financial Assets</b>		
Balances with banks	157,443	-
Investments	-	365,368
Profit receivables on bank deposit	2,942	-
Security deposits and other receivable	8,977	-
	<u>169,362</u>	<u>365,368</u>
		<u>534,730</u>

2024		
At amortised cost	At fair value through profit or loss	Total
(Rupees in '000)		
<b>Financial Liabilities</b>		
Payable to the MCB Investments Management Limited - Management Company	1,751	-
Payable to Central Depository Company of Pakistan Limited- Trustee	85	-
Payable against purchase of investment	2,660	-
Payable against redemption of units	216	-
Accrued and other liabilities	3,663	-
	<u>8,375</u>	<u>-</u>
		<u>8,375</u>

**20. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

**Fair value hierarchy**

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

		2025			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
<b>Financial assets at fair value through profit or loss</b>					
Listed equity securities		517,556	-	-	517,556
		517,556	-	-	517,556
		2024			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
<b>Financial assets at fair value through profit or loss</b>					
Listed equity securities		365,368	-	-	365,368
		365,368	-	-	365,368

**21 UNIT HOLDERS' FUND RISK MANAGEMENT**

'The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of their proportionate share of the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in unit holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirements of minimum fund size at all times.

'The Fund's objective when managing unit holders' fund is to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

'In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

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

**22. PATTERN OF UNITHOLDING**

-----2025-----				
Number of unit holders	Number of Units held	Investment amount	Percentage Investmen t	
		(Rupees in '000)	%	
Individual	2,616	27,331,085	650,425	86.75
Insurance Companies	1	145,032	3,452	0.46
NBFC	1	19,495	464	0.06
Retirement fund	3	390,557	9,295	1.24
Public Limited Companies	4	113,613	2,704	0.36
Others	24	3,505,237	83,425	11.13
	<u>2,649</u>	<u>31,505,019</u>	<u>749,765</u>	<u>100</u>

-----2024-----				
Number of unit holders	Number of Units held	Investment amount	Percentage Investment	
		(Rupees in '000)	%	
Individual	2,441	26,370,514	451,295	86.73
Insurance Companies	1	137,662	2,356	0.45
NBFC	1	18,791	322	0.06
Others	3	417,096	7,138	1.37
Public Limited Companies	4	109,510	1,874	0.36
Retirement Fund	24	3,353,013	57,382	11.03
	<u>2,474</u>	<u>30,406,586</u>	<u>520,367</u>	<u>100</u>

**23. 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:

	<b>2025</b> <b>(Percentage)</b>
1 Khadim Ali Shah Bukhari Sec	14%
2 Arif Habib Limited	10%
3 Habib Metropolitan Financial	8%
4 Top Line Securities Pvt Ltd	8%
5 Alpha Capital (Pvt)Ltd	8%
6 Alfalah Securities (Pvt) Ltd	5%
7 Next Capital Ltd	5%
8 Taurus Securities Limited	5%
9 Foundation Securities Pvt L	5%
10 Insight Securities Pvt Limited	5%

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

	<b>2024 (Percentage)</b>
1 Foundation Securities (Private) Limited	11%
2 Al Habib Capital Markets Pvt Limited	10%
3 Khadim Ali Shah Bukhari Securities	9%
4 Optimas Capital Management	7%
5 BMA Capital Management Limited	6%
6 EFG Hermes Pakistan Limited	6%
7 ALFA Adhi Securities (Private) Limited	6%
8 Ismail Iqbal Securities Private Limited	5%
9 Insight Securities Limited	5%
10 Alfalah Clsa Securities (Private) Limited	5%

**24. ATTENDANCE AT MEETINGS OF 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 persons attending the meetings	Designation	Number of meetings held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave granted	
Mr. Haroon Rashid	Chairman	9	9	8	1	199th
Mr. Ahmed Jahangir	Director	9	9	8	1	197th
Syed Sanaul Muekal Hussain	Director	9	9	8	1	201st
Ms. Mavera Adil Khan	Director	9	9	4	5	197th, 198th, 201st, 202nd, 203rd
Mr. Shoaib Muntaz (Resigned on December 21, 2024)	Director	9	5	4	1	201st
Mr. Fahd Karim Chitroy	Director	9	9	8	1	202nd
Mr. Manzoor Muztaz	Director	9	9	9	-	
Mr. Muhammad Nauman Chughtai (Appointment on January 6, 2025)	Director	9	4	3	1	204th
Mr. Khawaja Khalil Shah	Chief Executive Officer	9	9	9	-	

**25. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER**

Details of members of the Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Mr. Khawaja Khalil Shah	Chief Executive Officer	MBA	33
2	Mr. Muhammad Asim	Chief Investment Officer	MBA, CFA	22
3	Mr. Awais Abdul Sattar	Portfolio Manager Equities	MBA, CFA	14
4	Mr. Saad Ahmed	Head Of Fixed Income	MBA	19
5	Mr. Syed Abid Ali	Head Of Equities	MBA	17
6	Mr. Usama Iqbal	Fund Manager	Graduate	21
7	Mr. Raza Inam	Head of Research	Bsc, CFA	11

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

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Syed Abid Ali is the Fund Manager. Details of the other funds being managed by him are as follows:

- 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 Asset Allocation Fund
- MCB Pakistan Dividend Yield Plan
- Alhamra Islamic Asset Allocation Fund
- Pakistan Pension Fund
- MCB KPK Govt Employees Pension Fund - Money Market Sub Fund

### 26.0. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on current year results is 4.82% (2024: 4.87%) and this includes 0.67% (2024:0.57) representing government levy, SECP fee etc.

### 27. CORRESPONDING FIGURES

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

### 28. GENERAL

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

### 29. DATE OF AUTHORISATION OF ISSUE

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

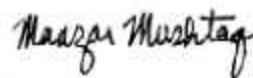
For MCB Investment Management Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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No. of Unit Holders	Unit holdings	Total units held
606	A. 001-10,000	34,346
1307	B. 10,001 – 100,000	3,200,402
619	C. 100,001 – 1000,000	8,591,397
117	D. 1000,001 & Above	19,678,874
<u>2,649</u>		<u>31,505,019</u>

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

Performance Information	2025	2024	2023	2022	2021
Total Net Assets Value – Rs. in million	749.7649	520.3670	332.9948	381.6090	466.6630
Net Assets value per unit – Rupees	23.8	17.11	11.02	10.6500	12.0000
Closing Offer Price	24.35	17.50	11.27	10.8900	12.2700
Highest offer price per unit	25.17	18.80	11.48	12.6000	13.1400
Lowest offer price per unit	17.16	10.86	10.21	10.7400	10.4800
Highest Redemption price per unit	24.6	18.38	11.23	12.3200	12.8500
Lowest Redemption price per unit	16.77	10.62	9.98	10.5000	10.2500
Distribution per unit – Rs. *					
Interim	1.25	1.10	-	-	0.50
Final	-	-	-	-	-
<b>Average Annual Return - %</b>					
One year	46.55	71.54	3.47	(11.25)	23.14
Two year	59.05	37.51	(3.89)	5.95	14.00
Three year	40.52	21.25	5.12	5.58	6.20
Net Income for the year – Rs. in million	244.5160	227.0340	12.613152	(49.3710)	94.9640
Distribution made during the year – Rs. in million	47.373	67.4500	-	-	28.7650
Accumulated Capital Growth – Rs. in million	197.1430	159.5840	12.6132	(49.3710)	66.1990

**\* Date of Distribution**

2025	
Date	Rate
25-Jun-25	1.25

2024	
Date	Rate
26-Jun-24	1.1

2023	
Date	Rate
Nil	

2022	
Date	Rate
Nil	

2021	
Date	Rate
June 25, 2021	0.5

**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**

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The Board of Directors of MCB Investment Management Limited (the Management Company of Pakistan Capital Market Fund – PCMF) 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](http://www.mcbfunds.com)).

During the financial year ended June 30, 2025, the Management Company on behalf of PCMF participated in eighteen (18) 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:

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Reason for Abstaining</b>
Number	95	95	0	0	-
(%ages)	100	100	0	0	-

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

**MCB INVESTMENT MANAGEMENT LIMITED**

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